

# AGRICULTURAL OUTLOOK

Economic Research Service  
United States Department of Agriculture

September 1992

FILE COPY

**Drought  
Strains  
California  
Water  
System**

# AGRICULTURAL OUTLOOK



**Cover Photo:**  
Friant-Kern Canal near  
citrus groves, north of  
Lindsay, California

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## News of California Drought, Specialty Produce, Corn and Soybean Crops, and EAI Free Trade Overtures

**U**SDA is forecasting record yields for U.S. corn and soybeans in 1992, based on conditions as of August 1, with production for both crops the highest since 1985. U.S. corn output is forecast 17 percent higher than 1991/92's estimated crop, and soybeans 5 percent higher, due to abundant rainfall in major producing states that raised yield prospects. However, slow crop development this summer raises the risk of weather-related yield losses this fall. This concern helped check a downward trend in futures prices that began in early July coinciding with the rainfall.

Recent cattle inventory and on-feed surveys point to modest cattle expansion, with fewer heavier weight cattle marketed in the near term. In the turkey industry, poor returns and record stocks signal slower gains in output, and broiler producers are expected to cut back on third-quarter production increases. But pork production in 1992 is likely to reach a record, showing no signs of decline until the second half of 1993.

California's all-grape crop is expected to rise 12 percent from 1991, due primarily to higher production of raisin-type grapes. Some of the state's wine producers are coping with a new outbreak of phylloxera—an aphid-like insect that attacks grapevine roots. California's premium wine grape production is likely to decline for the next several years, while growers replace vines destroyed by the insect with new higher yielding root-stock.

California agriculture continues to grapple with another unwelcome guest—drought that lingers into its sixth consecutive year. While average precipitation was about 17 percent greater than last year, it fell on extremely dry soils, limiting runoff for agriculture and leaving surface water supplies about the same as in 1991—very low.



The U.S. Bureau of Reclamation's Central Valley Project (CVP), which supplies 30 percent of the state's agricultural water in a normal nondrought year, is projecting a 1992 CVP delivery level the lowest in 15 years. If the drought continues into 1993, financial and water reserves will be strained even further.

The U.S. economy, after rallying in the first quarter grew slowly again in the second. Real GDP grew at an annual rate of only 1.4 percent in the second quarter, compared with nearly 3 percent in the first. Declines in consumer spending and exports, as well as rising imports, were factors.

The weaker growth and substantial excess industrial capacity have helped slow inflation. Excluding food and energy prices, consumer price inflation has trended downward since the fall of 1990, reaching an annual rate of 3.8 percent by July compared with 4.4 percent during 1991. Most analysts are still calling for GDP growth to average between 2.5 and 3 percent during the second half of 1992, with little change in inflation or interest

rates. Growth in 1993 is projected to be about 3 percent, with inflation remaining modest over the next 18 months.

Political and economic reforms in Latin America and the Caribbean would be important keys to growth in Western Hemisphere markets. The Enterprise for the Americas Initiative (EAI), announced in June 1990, lays the groundwork for expanding free trade and entrepreneurship in Latin America—providing benefits to all trade participants.

During the economic crisis of the 1980's, many Latin Americans saw their living standards decline, as incomes fell and governments cut back on services and investment in their economies. Today, many of these countries are moving toward more open economies and freer trade. The EAI builds on these efforts with its "trade not aid" philosophy.

Agriculture comprises about 12 percent of the output of Latin America, and agriculture and processed food accounted for 20 percent of the value of Latin American exports to the U.S. in 1990, led by coffee and bananas. Due in large part to geography, Latin America enjoys a clear advantage in growing the tropical agricultural products it typically exports to the U.S.

Latin America is among many sources of tropical products enjoying a surge in demand in the U.S. A more ethnically diverse population and changes in dietary patterns are exposing U.S. consumers to a panorama of "exotic" produce from other countries, as well as from some regions of the U.S. The niche market for specialty produce is the fastest growing segment of the produce industry. Over the last decade, the demand for all major vegetables has increased steadily, but the demand for more exotic produce, like hot chili peppers, snow peas, tropical vegetables, and other specialties, has grown exponentially.

## Commodity Overview



## Livestock, Dairy & Poultry Overview

### Outlook Based on August Projections

- Signals continue pointing to modest cattle expansion and fewer heavier weight cattle to be marketed in near term.
- Poor returns and record stocks signal slower gains in turkey output, while broiler producers cut back on third-quarter production increases.
- Pork production in 1992 to be record high, showing no signs of decline until second-half 1993.

### Cattle—Modest Herd Expansion Underway

- Total inventories on July 1 essentially unchanged from a year earlier, but beef cow replacement heifers for possible herd expansion up 8 percent over last year.

- Six percent fewer replacement heifers that calved entered beef and dairy herds during the first half of 1992.
- Dairy cow numbers down 2 percent, and milk replacement heifers held for future placement down slightly from last year.

### Smaller Summer Beef Output . . .

- With fewer heavier weight cattle in feedlots, marketings—at 5.7 million head—will be smaller through summer, possibly 4 percent lower than last year.
- Six percent fewer yearling feeder cattle in feedlots, and heavier weight feeder cattle outside feedlots up only 1 percent.
- Declining grain prices, and seasonally declining forage conditions to encourage pickup in feedlot placements this fall.

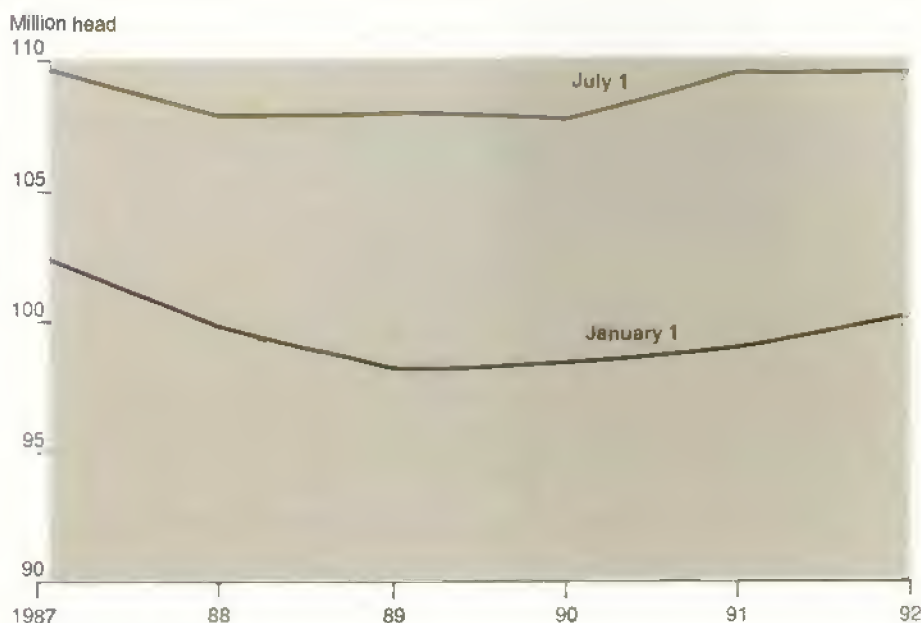
### But More Beef in Coming Year

- Based on the July 1 *Cattle on Feed* report, a larger proportion of the lighter weight feeder cattle supply was in feedlots on July 1, compared with the past 2 years.
- Summer-quarter placements on feed are expected to increase seasonally and at a sharply higher pace than the low level last year.

### 1993 Pork Output A Record . . .

- . . . To an estimated 17.3 billion pounds, with all of the increase expected in the first half of 1993.
- Barrow and gilt prices to inch up slightly—to \$40-\$46 per cwt—with lowest prices in the first quarter of 1993.
- Retail pork prices 1-3 percent higher than in 1992, reflecting a slight increase in the farm-retail spread.

### Modest Cattle Expansion Continues. . .



## Commodity Overview

## Update on Livestock

	-----Annual-----			1991	-----1992-----		
	1989	1990	1991	June	April	May	June
<b>Cattle on feed (7 states)</b>							
Number on feed (1,000 head) *	8,045	8,378	8,992	8,570	8,008	7,818	7,826
Placed on feed (1,000)	20,834	21,030	19,708	1,102	1,425	1,724	1,339
Marketings (1,000 head)	19,422	19,198	19,066	1,681	1,490	1,594	1,712
Other disappearance (1,000 head)	1,079	1,218	1,230	114	125	116	
<b>Commercial slaughter (1,000 head)</b>							
Cattle	33,918	33,241	32,690	2,709	2,587	2,745	2,923
Steers	16,539	16,587	16,732	1,445	1,365	1,473	1,614
Heifers	10,406	10,090	9,719	813	713	772	800
Cows	6,316	5,920	5,623	400	458	445	451
Bulls & stags	657	644	614	51	51	55	58
Calves	2,172	1,789	1,436	92	111	106	108
Sheep & lambs	5,466	5,654	5,722	406	526	388	436
Hogs	88,691	85,136	88,169	6,296	7,792	7,061	7,345
<b>Commercial production (mil. lb.)</b>							
Beef	22,974	22,634	22,800	1,874	1,786	1,899	2,038
Veal	344	316	296	20	25	25	25
Lamb & mutton	341	358	358	25	33	25	27
Pork	15,759	15,300	15,948	1,140	1,414	1,287	1,332

	-----Annual-----			-----1992-----		
	1989	1990	1991	I	II	III
<b>Cattle on feed (13 states)</b>						
Number on feed (1,000 head) *	9,688	9,943	10,827	10,135	9,693	8,847
Placed on feed (1,000 head)	24,469	24,803	23,208	5,403	5,273	—
Marketings (1,000 head)	22,940	22,526	22,383	5,441	5,675	5,720
Other disappearance (1,000 head)	1,274	1,393	1,517	404	444	—

\* Beginning of period

See table 16 for complete definition of terms.

- A slight dip in pork imports, to 690 million pounds, just below 1992. Pork exports likely level with 1992's expected 400 million pounds.

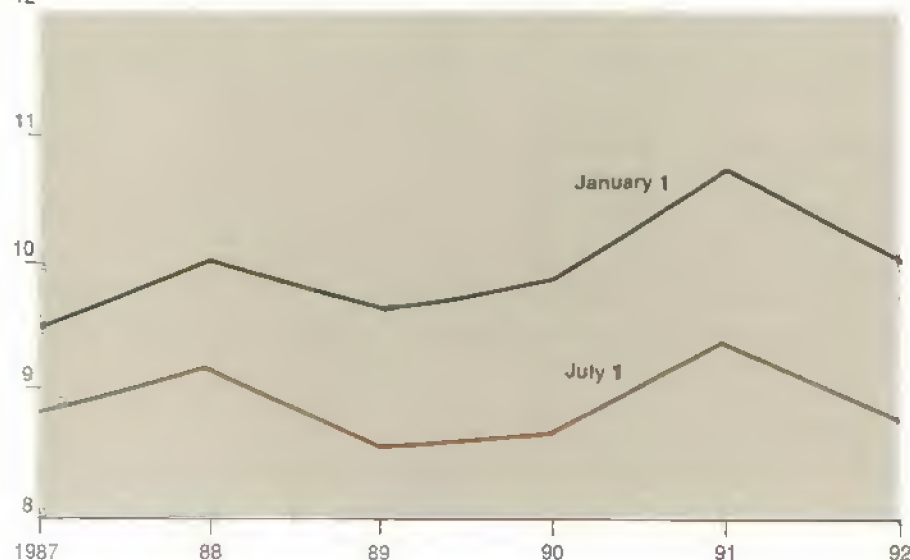
### And Broiler Prices Firm Up

- ...With good product movement and exports, and slower growth in production.
- Despite large supplies of other meats, good movement of chicken breast meat through grocery and foodservice outlets is helping wholesale broiler prices.
- Production increases to be relatively small—only 3-4 percent in the third quarter, compared with a 9-percent increase in 1991. Fourth-quarter growth will likely be up 3-4 percent.

### ...With Fewer Cattle on Feed

Million head

12



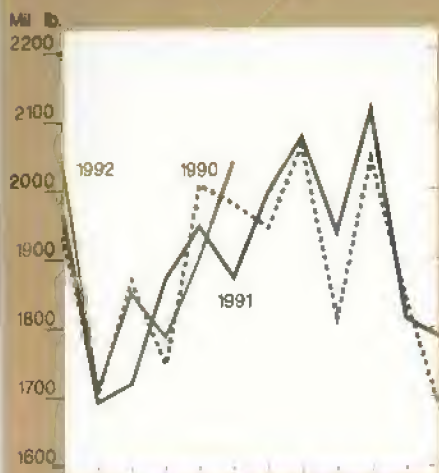
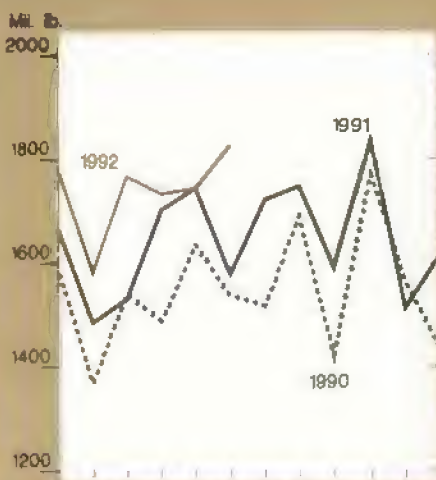
All cattle and calves, cattle on feed; semiannual January 1 and July 1 inventories.

For more on FOC, Commodity and QSO, go to The Outlook Column

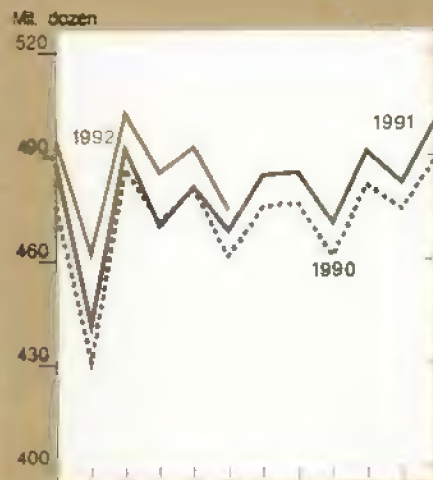
## Commodity Overview

## Livestock &amp; Product Output

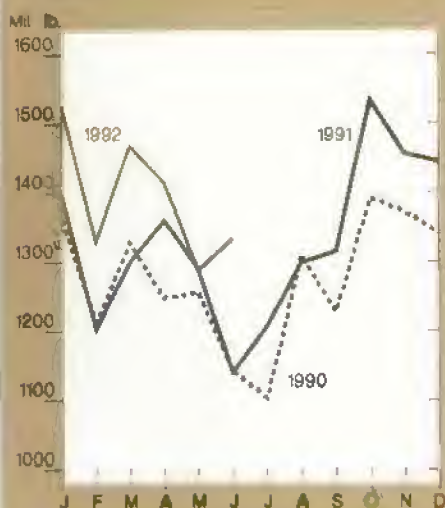
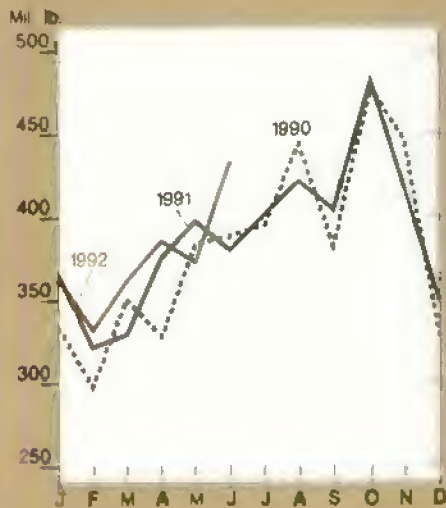
Commercial beef

Broilers<sup>1</sup>

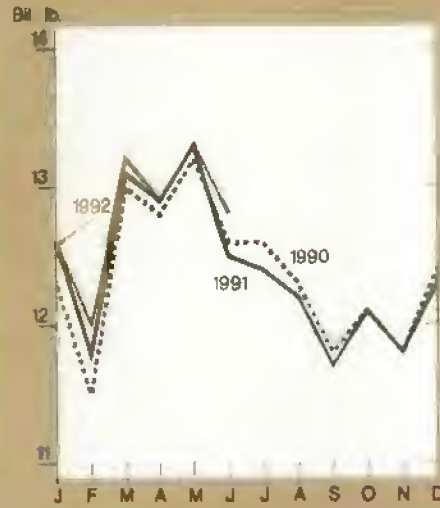
Eggs



Commercial pork

Turkeys<sup>1</sup>

Milk



<sup>1</sup>Federally inspected production, ready-to-cook.

- But retail broiler prices likely to remain slightly below a year ago, reflecting large supplies of all meats.
- Wholesale prices also buoyed by strong exports, which are likely to set a record in 1992, as growth in many markets—especially the Pacific region—helps offset reduced exports to the former Soviet Union.

### Turkey Stocks—A Restraint on Prices

- ... As stocks reach a record 575 million pounds on July 1—14 percent above last year. Large supplies of

competing meats, especially pork, slowing product movement.

- September production expected to fall compared with a year ago, and third-quarter output only 2-3 percent above a year earlier.
- For the year, output to rise about 2-3 percent, as producers face consistently poor returns—at or below breakeven since last September.
- Current wholesale prices continue weak, for hens about 10 percent below last year; toms, although well above hen prices, also trailing last year.

### Bright Spots—Processing Turkey, Exports

- Stronger demand for high-quality breast meat from toms helps explain the unusually large spread—8 cents a pound—between toms and hens.
- Record turkey exports through the first half of 1992, about 80 percent above a year earlier, providing support for prices of dark meat parts.

## Egg Industry Scrambling

- Facing lowest prices and returns since 1988, due to large increases in production—nearly 2 percent for all eggs in 1992, with table-egg production 1.5-percent higher.
- While low- to negative returns will eventually lead to reduction in the size of the laying flock, the table-egg flock on July 1, at 230 million hens, was 1 percent above a year earlier and expected to increase through the rest of 1992.
- Wholesale egg prices improved following a sharp slump in early summer. A seasonal price increase likely as fall approaches, but remaining below year-earlier levels.
- Indicators suggest slower growth towards the end of 1992 and in early 1993. Egg-type chicks hatched during June and for January-June were both down 5 percent from a year earlier. Eggs in incubators on July 1 were down 9 percent.
- Egg exports continue strong, and 1992 could be the highest in 10 years, helped by low U.S. prices and continued sales under the EEP. Japan, the largest market, to take about 25 percent of the total.

**For further information, contact:** Richard Stillman and Agnes Perez, coordinators; Steve Reed and Linda Bailey, cattle; Leland Southard, hogs; Lee Christensen, Agnes Perez, and Larry Witucki, poultry; Jim Miller and Sara Short, dairy. All are at (202) 219-1285.

AO

## Field Crops Overview

### Domestic Outlook— August Projections for 1992/93

#### Record U.S. Corn Yields

- Based on August 1 conditions, yields—pegged at 121.3 bushels per acre—should boost corn production 17 percent above 1991/92. Forecast still falls short of 1985's record production, due to harvested acreage 3 million less than in that year.
- Despite a relatively small carryin, a large 1992 crop could bring the largest supplies since 1987/88.
- Total use 2 percent higher than in 1991/92. Domestic use up due to relatively tight barley and oat supplies, lower corn prices, and expanded livestock production. Exports (September-August) up as the larger crop pushes prices lower.
- Even with slightly higher total use, the larger crop expected to push ending stocks 65 percent higher than the carryin level and reduce prices. Ending stocks would be highest since 1988/89, and the stocks-to-use ratio, at 22.4 percent, well above the estimated 13.8 percent in 1991/92.

#### Soybean Yields Also A Record

- At 35.8 bushels per acre (based on August 1 conditions), production to reach 2.08 billion bushels, up nearly 5 percent from 1991's large crop, and the highest since 1985.
- This would still be only the fourth-highest production historically, with lower acreage than in the highest production years—1979 and 1982.

In those years, harvested acreage exceeded this year's by more than 10 million, as season-average prices in the range of \$6 per bushel prompted large plantings and, in particular, more double-cropping.

- Total soybean use to rise slightly in 1992/93 over 1991/92's relatively high level. Domestic crush—and meal demand—expected up slightly as feeding profitability remains attractive. Soybean exports also up slightly, the result of a smaller EC rapeseed crop, increased use in the EC and Mexico, and lower expected U.S. prices.
- The large U.S. soybean crop will help bring ending stocks 12 percent above the carryin level, keeping prices within the \$5-\$5.70 range.

#### U.S. Wheat Yields Revised Upward

- ... To 37 bushels per acre, 1.6 bushels above the July estimate. The main reason—increased rainfall in July and mild temperatures that improved crop prospects in the Northern Plains. The 1992 estimate is 2.7 bushels above 1991's.
- Higher yields, combined with larger harvested area in 1992 than 1991, boost production to 2.34 billion bushels. Even with relatively tight carryin stocks, supplies are expected only slightly below last year's level.
- Total use down 9 percent in 1992/93, with exports down 12 percent due to large supplies of some competing exporters (particularly the EC) and sluggish sales. Domestic use down 5 percent from 1991/92 due to lower wheat feeding, as wheat prices this summer have been high relative to corn.
- The combination of a larger crop and lower use would leave ending stocks up 38 percent from 1991/92, and prices in the range of \$2.80-\$3.20, similar to 1991/92's \$3 per bushel.

## Commodity Overview

### U.S. Field Crops--Market Outlook at a Glance

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	Planted	Harvested							
	—Mil. acres—		Bu./acre			—Mil. bu.—			\$/bu
<b>Wheat</b>									
1991/92	69.9	57.7	34.3	1,981	2,888	1,134	1,281	472	3.00
1992/93	72.3	63.1	37.0	2,336	2,850	1,073	1,125	652	2.80-3.20
<b>Corn</b>									
1991/92	76.0	68.8	108.6	7,474	9,016	6,345	1,575	1,096	2.37
1992/93	79.3	72.2	121.3	8,762	9,868	6,465	1,600	1,803	1.85-2.25
<b>Sorghum</b>									
1991/92	11.0	9.8	59.0	579	722	354	280	88	2.28
1992/93	13.5	12.3	67.7	834	921	485	300	136	1.75-2.15
<b>Barley</b>									
1991/92	8.9	8.4	55.2	464	624	400	95	130	2.10
1992/93	7.8	7.3	54.1	395	545	340	90	115	1.90-2.30
<b>Oats</b>									
1991/92	8.7	4.8	50.6	243	489	360	2	127	1.20
1992/93	8.0	4.8	57.6	276	458	350	1	117	1.10-1.50
<b>Soybeans</b>									
1991/92	58.1	58.0	34.3	1,986	2,320	1,345	690	285	5.60
1992/93	59.1	58.1	35.8	2,079	2,369	1,349	700	320	5.00-5.70
<b>Rice</b>									
	—Lb./acre—					—Mil. cwt (rough equiv.)—			\$/cwt
1991/92	2.86	2.75	5,617	154.5	184.5	92.8	65.0	26.7	7.50-7.55
1992/93	3.03	2.97	5,607	166.4	199.1	94.3	74.0	30.8	6.50-7.50
<b>Cotton</b>									
	—Lb./acre—					—Mil. bales—			¢/lb
1991/92	14.1	13.0	652	17.6	20.0	9.5	8.7	3.9	58.30*
1992/93	13.4	11.4	696	16.5	20.4	9.7	6.7	4.1	—

Based on August 12, 1992 Supply and Demand Estimates: U.S. marketing years for exports.

\*Weighted-average price for August-March; not a season average.

See table 17 for complete definition of terms.

### Cotton Yields Also Expected Up

- ... To 696 pounds per harvested acre, up from 1991's 652 pounds and near the record 706 pounds of 1987. Large abandonment in Texas—a state where yields are low—is pulling up the U.S. average. Arkansas and California are expecting record yields.
- Despite higher yields, smaller acreage is expected to reduce cotton production 6 percent from the relatively

large 1991/92 crop. Plantings declined, in part due to the higher ARP. In addition, Texas may only harvest two-thirds of its planted area due to cool, wet weather and seedling disease early in the season. Much of the abandoned area was planted to sorghum.

- Supplies up modestly from 1991/92, and at the highest level since 1988, the result of larger carryin than in 1991/92.

- Total use to rise 1 percent above 1991/92's level. Domestic use up 2 percent as strong mill use continues, the result of increased cotton demand at the expense of manmade fibers. But exports to remain at 1991/92's level due to increased foreign competition.

- Modestly higher supplies and slightly higher use add up to ending stocks of 4.1 million bales, up 5 percent from the carryin level, putting the ending stocks-to-use ratio at 25 percent.

### But Rice Yields Drop

- ... To 5,607 pounds per acre, down marginally from 1991/92's relatively high level. Even with a slight yield decline, production could be up nearly 8 percent from 1991, due to larger area—helped by a 0-percent ARP and favorable weather at planting time.
- Expected production in 1992 would be the second-highest ever, falling short of the 1981 crop. Production to rise in all rice states except Texas, where output could decline fractionally from 1991's level.
- Large supplies exerting downward pressure on prices, to a range of \$6.50-\$7.50 per cwt.
- But lower prices to boost total use nearly 7 percent over 1991/92. Domestic use up slightly, and exports—responding to lower prices—up 14 percent.

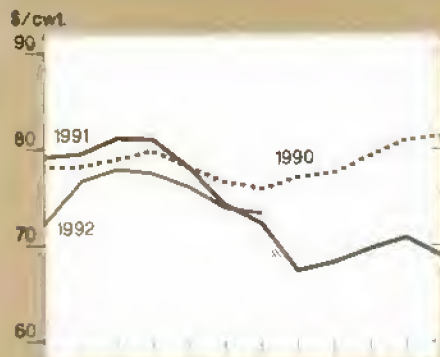
- Ending stocks of almost 31 million cwt would be up over 15 percent from 1991/92, bringing the highest stocks-to-use ratio—18.3 percent—since 1987/88.

[Joy Harwood (202) 219-0840]

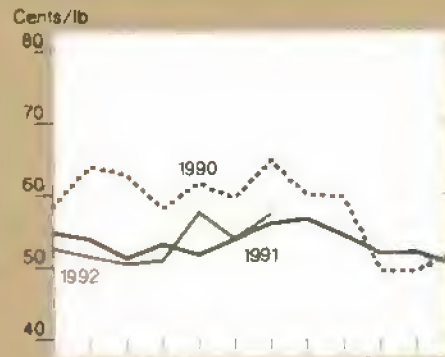
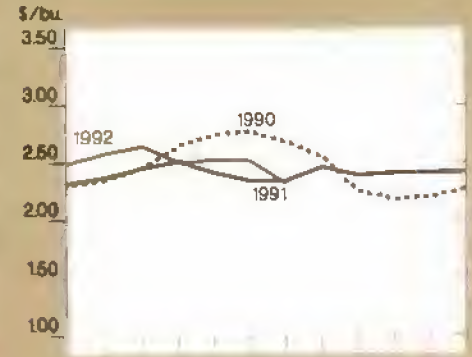
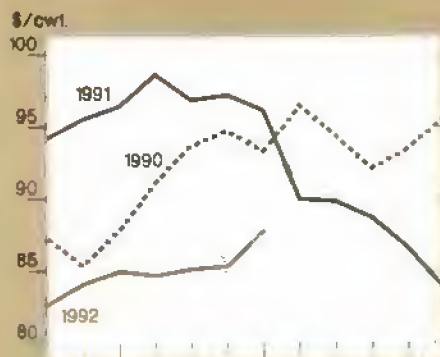
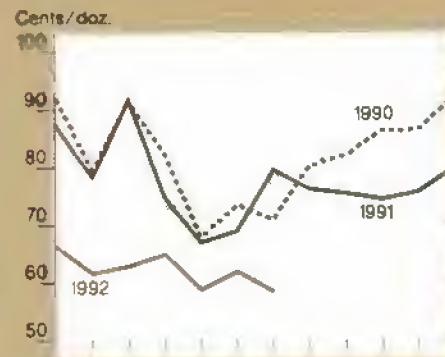
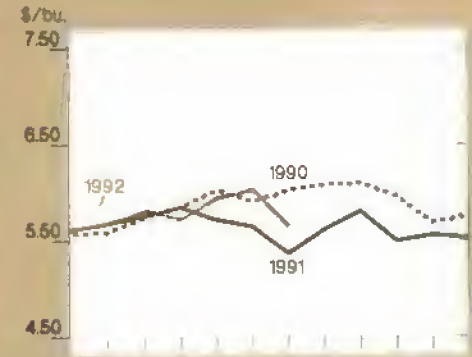
## Commodity Market Prices

## Commodity Overview

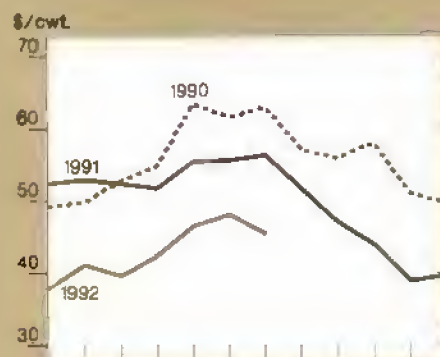
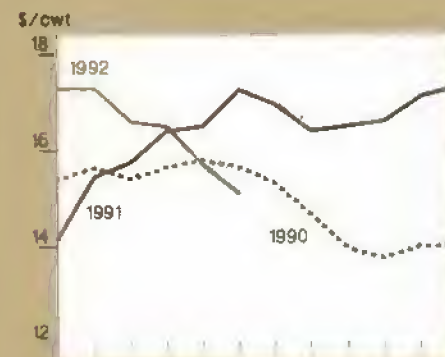
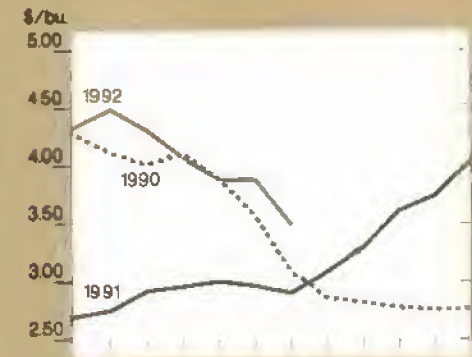
Choice steers, Nebraska



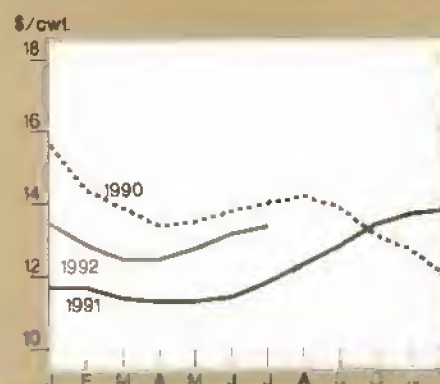
Broilers, 12-city average

Corn, Central Illinois<sup>1</sup>Medium steers, Oklahoma City<sup>2</sup>Eggs, New York<sup>3</sup>Soybeans, Central Illinois<sup>4</sup>

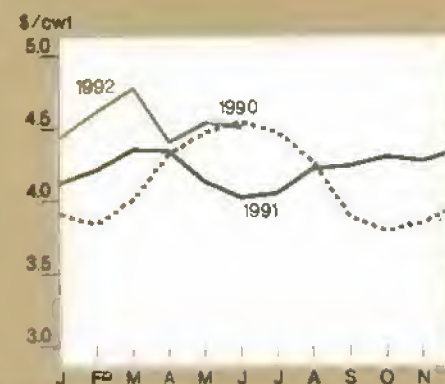
Barrows and gilts, 6 markets, Omaha

Milled rice, SW Louisiana<sup>5</sup>Wheat, Kansas City<sup>6</sup>

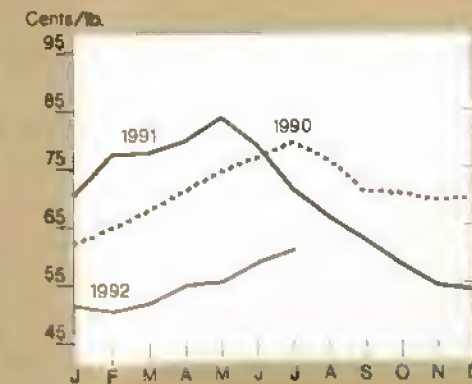
All milk



Sorghum, Kansas City



Cotton, average spot market



## Corn & Soybean Crop Progress

### August Forecast Calls for Record Yields for 1992/93

*August 1 conditions point to record yields.*

- For corn, the forecast 121.3 bushels per acre would top 1987's record 119.8 bushels.
- The 35.8 bushels forecast for soybeans would top the 34.3-bushel record set in 1991.

*Record yields are not forecast for top 10 corn states.*

- But yields should be close to record levels in most of the major producing states, and at record in others like Kentucky and Oklahoma, boosting the U.S. average.

- After a dry June in the major growing areas, July's steady rains made the forecast of a 1992 record possible. Iowa averaged 6.5 inches in July, and Illinois averaged about 7 inches, compared with typical July precipitation of close to 4 inches.

- But in a few states, such as Minnesota, wet conditions in some areas—and the cool temperatures that have persisted—adversely affected the crop. During July, Minnesota temperatures averaged 7 degrees below normal. And in 3 of the past 5 years, yields for that state were higher than the 1992 forecast of 122 bushels.

*Outlook is similar for the top 10 soybean states.*

- Soybean yields expected close to or at record levels in the major producing states, and at record levels in states such as Alabama and Kentucky, pushing the national average to a record.

- As with corn, soybean prospects were improved dramatically by the cool, moist July weather in the major growing areas.

*Despite record corn yield, output is not a record.*

- The 1992 forecast of 8.8 billion bushels is second to the 1985 record of nearly 8.9 billion. Corn output to fall short of record, with harvested area in 1992 about 3 million acres less than in 1985.
- Even though corn planted area has rebounded recently due to the lower ARP, plantings were higher in 1985, in part due to relatively high corn prices and the relatively high corn loan rate that encouraged non-program plantings.

*Soybean production in 1992 would be fourth highest.*

- Soybean production—at 2.08 billion bushels—would be the highest since 1985, but well below the 1979 record of nearly 2.3 billion.
- That's because harvested acreage in the highest production years—such as 1979 and 1982—was more than 10 million acres above 1992's expected level. In those earlier years, season-average prices in the \$6 range prompted large plantings, and in particular, more double-cropping.

#### Top Producing States Poised for Near-Record Yields of Corn . . .

State	Aug. 1992 USDA forecast	Highest USDA Aug. forecast, prior to 1992	Highest USDA final estimate
<i>Bu/acre</i>			
Illinois	130	142 (1986)	135 (1985, 1986)
Indiana	130	135 (1987)	135 (1987)
Iowa	131	135 (1986)	135 (1986)
Minnesota	122	128 (1991)	127 (1987)
Missouri	113	113 (1986, 1987)	116 (1986)
Nebraska	130	130 (1986, 1987, 1990)	131 (1987)
U.S.*	121.3	121.4 (1987)	119.8 (1987)

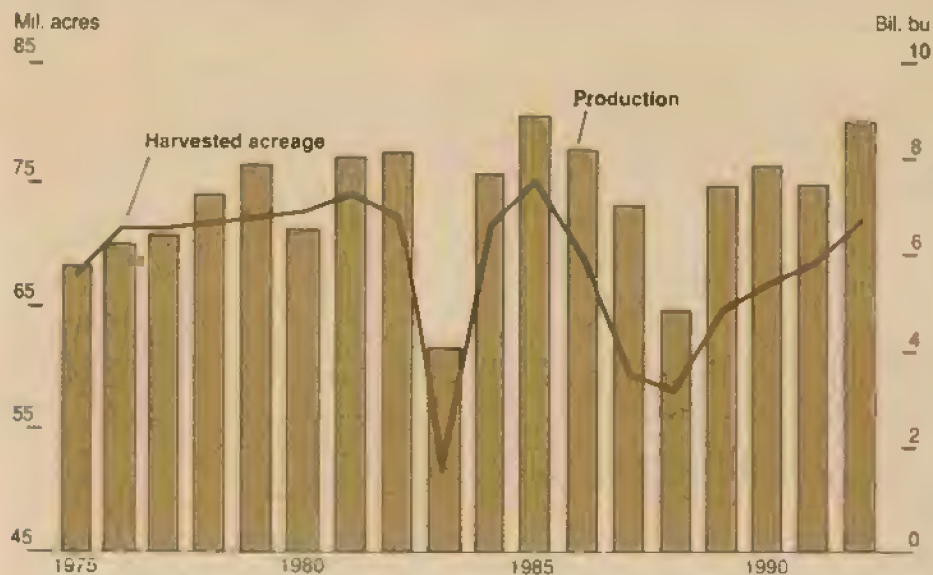
#### . . . And Soybeans

State	Aug. 1992 USDA forecast	Highest USDA Aug. forecast, prior to 1992	Highest USDA final estimate
<i>Bu/acre</i>			
Illinois	41	43.0 (1986)	42.5 (1985)
Indiana	41	42.0 (1987)	41.5 (1985)
Iowa	42	41.0 (1987)	43.5 (1987)
Minnesota	36	37.0 (1987, 1990, 1991)	39.0 (1987, 1990)
Missouri	34	33.0 (1986)	34.5 (1985)
Nebraska**	38	37.0 (1986)	38.0 (1981, 1986)
U.S.*	35.8	34.7 (1987)	34.3 (1991)

\*August forecast for 1992 equals or exceeds highest USDA final estimate.

## Corn & Soybean Crop Progress

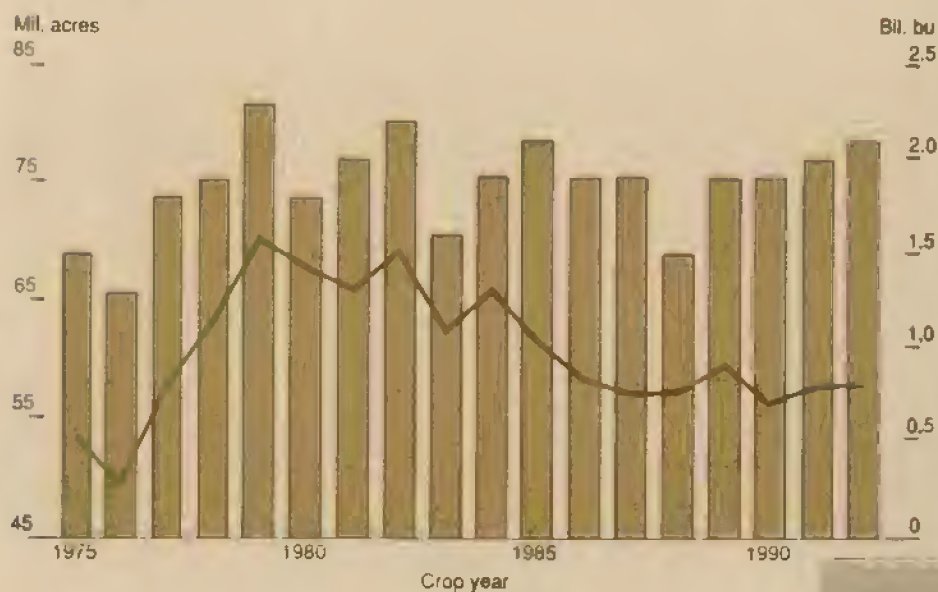
### Headed for Highest Output Since 1985 Are Corn ...



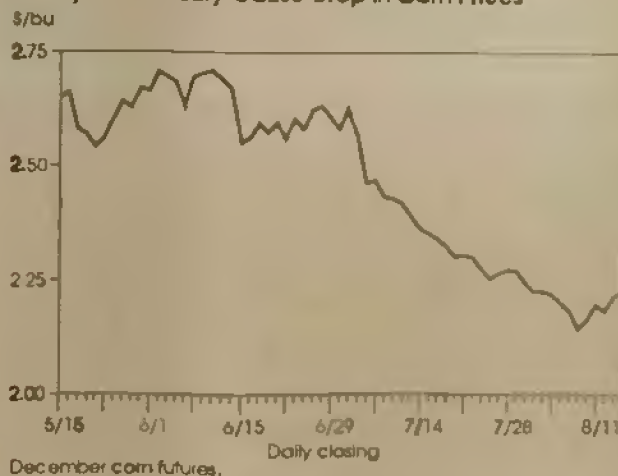
*Prices plummeted in early July due to steady rains and the expected larger crops.*

- For corn, December futures fell 40 cents per bushel between July 1 and August 14, to near \$2.22. For the 1992/93 crop year that began September 1, season-average prices are expected in the \$1.85-\$2.25 range.
- For November soybean futures, the drop over that period was about 70 cents per bushel, to \$5.45. For the 1992/93 soybean crop year, which also began September 1, season-average prices to range from \$5 to \$5.70.
- But for both corn and soybeans, slow crop development has caused concern in markets. Corn development in the Western Corn Belt and Lake States, as of August 16, was about 3-18 days behind normal, due to persistent below-normal temperatures. As of mid-August, this situation, along with concerns about frost risk, helped check the downward trend in prices that began in early July.

### ... And Soybeans



### Heavy Rains in July Cause Drop in Corn Prices

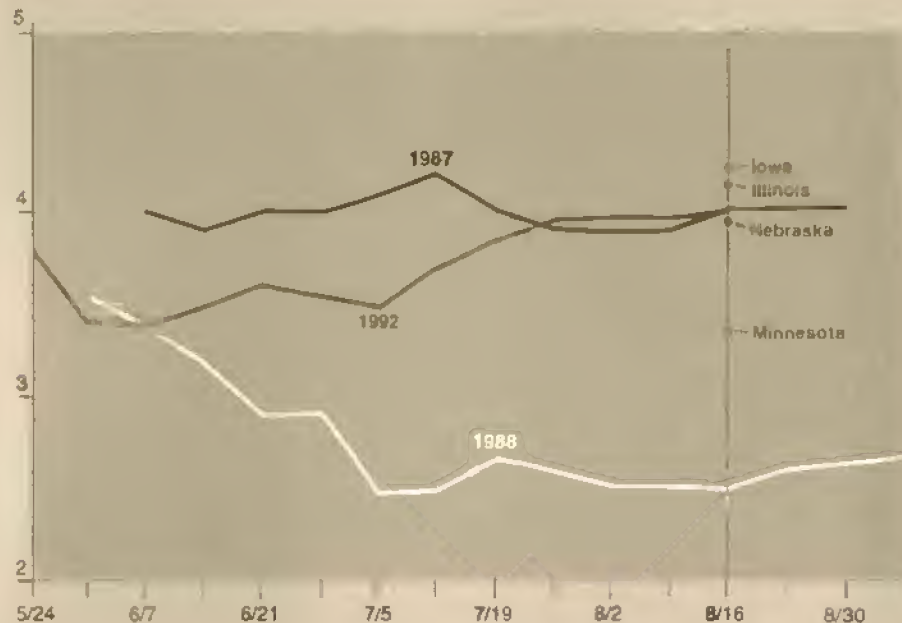


## Corn & Soybean Crop Progress

### Cool, Moist Weather Improves Corn and Soybean Crop Conditions

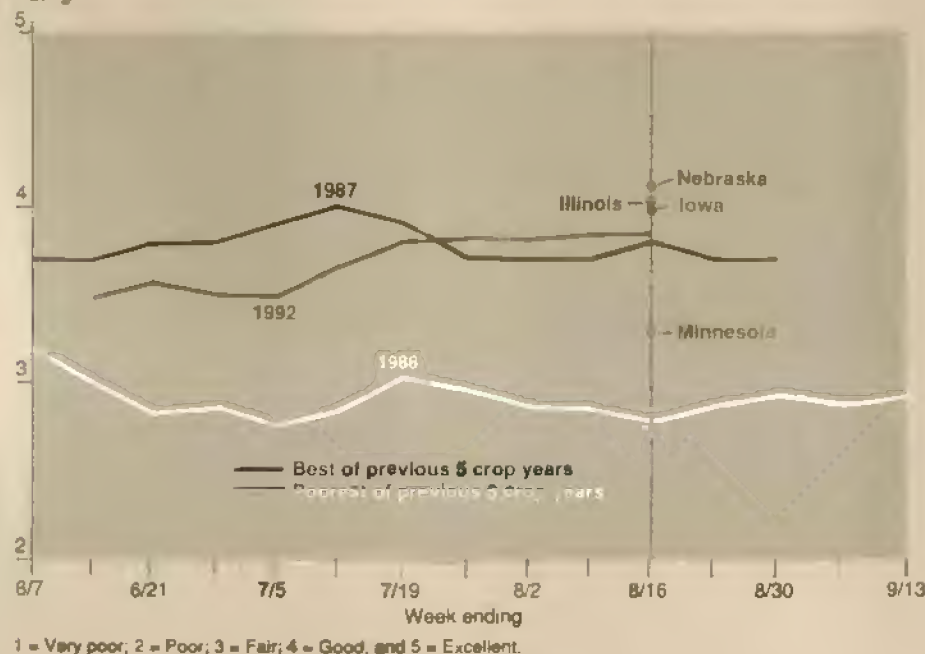
#### Corn

Rating



#### Soybeans

Rating



*Corn conditions since August 1 have not repeated the rapid improvement of July.*

- As of August 16, the national average rating of 3.97 puts the crop in the "good" range, slightly higher than ratings near August 1.
- Among major states, ratings as of August 16 were highest in Iowa and Illinois, with about 95 percent of the crop rated good and excellent. Ratings lowest in Minnesota (45 percent good and excellent), due to persistent cool temperatures and wetness.

*Increase in soybean ratings also tapered off.*

- The national average soybean rating as of August 16, at 3.83 put the crop in the good range, as with corn. This level slightly above August 2 rating of 3.8.
- Crop ratings for soybeans highest in Nebraska and Illinois, with about 90 percent of the crop rated good and excellent. As with corn, Minnesota crop is among the lowest rated in major states, with 38 percent good and excellent.

## Commodity Overview

*But the growing season is far from over.*

- USDA will update forecasts for corn and soybeans in September, October, November, and January. January's estimate, although considered "final," may be subject to minor revisions.
- Some years have seen substantial revisions between August and final yields, particularly in cases of late-season dryness or early frost.
- Because cool temperatures have delayed crop development this year, late-season conditions may be a more important factor in 1992 than in years when the crop is on schedule.

[Joy Harwood (202) 219-0840]

## Early Forecasts Call for Record National Yields

Year	Implicit July yield*	USDA Aug. yield	USDA final yield	Difference (Aug.-July)	Difference (final-Aug.)
<i>Buacre</i>					
<b>Corn:</b>					
1984	109.1	107.9	106.7	-1.2	-1.2
1985	108.0	110.6	118.0	2.6	7.4
1986	114.0	120.4	119.4	6.4	-1.0
1987	120.1	121.4	119.8	1.3	-1.6
1988	87.1	78.5	84.6	-8.6	6.1
1989	113.1	112.8	116.3	-0.3	3.5
1990	117.0	117.7	118.5	0.7	0.8
1991	120.2	107.8	108.6	-12.4	0.8
1992	117.0	121.3	—	4.3	—
<b>Soybeans:</b>					
1984	30.3	30.5	28.1	0.2	-2.4
1985	30.5	31.5	34.1	1.0	2.6
1986	31.3	32.9	33.3	1.6	0.4
1987	33.0	34.7	33.9	1.7	-0.8
1988	28.9	26.0	27.0	-2.9	1.0
1989	32.4	32.3	32.3	-0.1	0.0
1990	32.7	32.5	34.1	-0.2	1.6
1991	33.5	31.8	34.3	-1.7	2.5
1992	34.0	35.8	—	1.8	—

\*Implicit July yield is production from July World Agricultural Supply & Demand Estimates, divided by harvested acreage projection

## Global Outlook: 1992/93 Projections

### World Wheat Production To Fall

- ...As drought decimates northern and eastern Europe and parts of the former USSR, and adverse weather hurts Argentina and Australia.
- But large EC carryin to push up EC export share, despite smaller output. And Australia's output and exports to improve from poor 1991/92 season, contributing to strong export competition.
- World trade forecast down 6 percent, because of declines in imports by China and former USSR. U.S. export market share to drop to 30.6 percent.

- Global use, although down, exceeds outturn, and global stocks to tighten slightly.

### U.S. Corn—Larger Share of Smaller Market

- ...As global corn imports decline significantly, largely in the former USSR.
- Large gains in 1992/93 world corn production, primarily in the U.S. Gains also expected for former USSR and for South Africa, assuming recovery from 1991/92 drought.
- U.S. corn exports to remain at 1991/92 level, while market share to rise from 64 to 71 percent.

### U.S. Rice Trade Share To Edge Up

- ...As U.S. supplies rebound and growth of domestic use slows, and foreign exports slip slightly.
- Calendar 1993 world trade to inch down from 1992. Reduced imports by Indonesia—reflecting a larger crop—to offset greater Middle Eastern imports.

### World Demand for Soy Products To Rise

- ...As EC rapeseed production falls and Mexico expands its livestock sector.
- Stronger demand to buoy U.S. exports of soybeans despite keen export competition.

## Commodity Overview

### World Wheat Production To Decline, but Coarse Grains, Rice, and Oilseeds Rise

	Year <sup>1</sup>	Production	Exports <sup>2</sup>	Consumption <sup>3</sup>	Carryover
			Mil. tons		
Wheat	1991/92	541.5	106.7	554.3	130.8
	1992/93	539.4	99.8	541.8	128.3
Coarse grains	1991/92	799.7	95.5	806.7	129.0
	1992/93	818.2	88.9	804.0	143.2
Corn	1991/92	483.8	63.7	486.4	77.3
	1992/93	515.6	57.8	497.3	95.5
Rice	1991/92	347.0	13.4	352.5	53.9
	1992/93	351.7	13.3	354.4	51.3
Oilseeds	1991/92	221.7	35.8	183.2	22.2
	1992/93	225.2	36.2	184.8	22.7
Soybeans	1991/92	105.3	27.5	90.9	18.8
	1992/93	109.8	28.6	92.0	19.7
Soybean meal	1991/92	71.8	27.1	72.1	3.2
	1992/93	72.7	26.9	73.0	2.9
Soybean oil	1991/92	16.5	3.8	15.9	2.2
	1992/93	16.7	3.9	16.5	2.2
			Mil. bales		
Cotton	1991/92	95.2	22.7	85.5	38.7
	1992/93	93.1	23.1	88.1	43.0

<sup>1</sup> Marketing years are: wheat, July/June; coarse grains and corn, October/September; oilseeds, soybeans, meal, and oil, local marketing years except Brazil and Argentina adjusted to October/September; cotton, August/July. <sup>2</sup> Rice trade is for the second calendar year. <sup>3</sup> Crush only for soybeans and oilseeds.

- Global soybean production and exports to rise because of projected gains in U.S., Brazil, and Argentina, with Brazil and Argentina planting later this year.
- Low foreign carryin of vegetable oils could raise U.S. soybean oil exports above the relatively high 1991/92 level, despite larger palm oil supplies.

### U.S. Cotton Export Share To Dip

- ...As the second-largest foreign output leads to higher foreign exports, up 3 percent.
- U.S. export market share to slip to 29 percent, but remains average.

- Record consumption, but world production to exceed consumption and stocks to rise further.

[Carol Whitton (202) 219-0824]

For further information, contact: Sara Schwartz, world food grains; Edward Allen, domestic wheat; Janet Livezey and Nathan Childs, domestic rice; Pete Riley, world feed grains; Tom Tice and Jim Cole, domestic feed grains; Nancy Morgan, world oilseeds; Scott Sanford and Roger Hoskin, domestic oilseeds; Carol Whitton, world cotton; Bob Skinner and Les Meyer, domestic cotton. World information (202) 219-0920, domestic (202) 219-0840. **AO**

### Russia & Ukraine Get GSM Credits

This spring, GSM-102 export credit guarantees were made available to individual former Soviet republics rather than to the former Soviet Union as a whole. Fiscal 1992 allocations for Russia total \$600 million and for Ukraine, \$110 million. Ukraine's allocations were part of the \$500 million made available for the non-Russian republics pending their meeting program requirements; another \$390 million remains unallocated. On July 27, a CCC sale of butter to Russia reduced its total credits by \$55 million to \$545 million as money was shifted from GSM to CCC use.

Russia's and Ukraine's allocations were released in two installments—May 13 and 20, and July 6. The commodity distribution of these credits is similar in pattern to that of the \$1.8 billion for the former USSR released earlier in fiscal 1992. In fiscal 1991, the former USSR also used \$1.9 billion in credits.

## Commodity Overview

As was the case with each earlier allocation of credits to the former Soviet Union, Russia's and Ukraine's credits were exhausted almost immediately after activation. As of July 31, only \$10 million of Russia's credits and \$5 million of Ukraine's credits remain unused. Another \$13 million of the former Soviet Union's credits also remain unused.

To date no further announcements have been made of additional credits to either of these republics, or any others, for fiscal 1992 or for the coming fiscal years. Additional credit requests are expected for fiscal 1993. [Carol Whitton (202) 219-0824]

Most Fiscal 1992 Credit Guarantees for Former USSR and Republics Are Exhausted <sup>1</sup>

	FSU <sup>2</sup>		Russia <sup>3</sup>		Ukraine <sup>4</sup>	
	\$ million	Percent	\$ million	Percent	\$ million	Percent
Feed grains	499	27	157	29	39	37
Wheat and flour	798	44	235	44	66	63
Protein meals	310	17	101	19	NA	NA
Tallow	NA	NA	28	5	NA	NA
Soybeans	122	7	NA	NA	NA	NA
Vegetable oil	57	3	14	3	NA	NA
Soy isolates	0	0	NA	NA	NA	NA
Poultry meat	18	1	NA	NA	NA	NA
Rice	8	—	NA	NA	0	0
Almonds	5	—	NA	NA	NA	NA
Hops	5	—	NA	NA	NA	NA
Total used	1,822	100	535	100	105	100
Remaining unused	13		10		5	

— = Negligible, NA = None allocated.

<sup>1</sup> As of July 31. <sup>2</sup> Includes freight of \$200 million. <sup>3</sup> Includes freight of \$74.5 million. <sup>4</sup> Includes freight of \$13.2 million

## Specialty Crops Overview

August prospects for 1992 dry edible bean production point to a 23.1-million-cwt crop, 30 percent below last year. Estimated acreage for harvest dropped 19 percent from a year earlier, and 27 percent below 1990.

Processing vegetable acreage is down 9 percent from each of the last 2 years, with area off for all crops except peas. But USDA forecasts the 1992 all-grape crop up 10 percent from last season, and pear production 4 percent higher than a year ago. Cranberry production is forecast to decline marginally, but to be the second-largest crop ever.

California's premium wine grape production is expected to decline for several years, as growers pull vines destroyed by an aphid-like insect called phylloxera. Output is expected to recover eventually and exceed current levels as growers replant with superior vines resistant to the insect. [For the latest specialty crop outlook, see tables 20-22.]

### Dry Bean Output To Drop 30 Percent

Prospects in August for 1992 dry edible beans point to output of 23.1 million cwt, a drop of 30 percent from last year. Estimated acreage for harvest is off 19 percent from last year, and 27 percent below 1990. Lower output is expected in North Dakota, Michigan, and Nebraska.

Production is forecast 37 percent lower in North Dakota, where planting is heavily weighted toward pinto and Navy beans. Pinto and Navy prices have been

depressed since mid-1990, due primarily to the large crops of the past 2 years.

Michigan's production prospects stand 35 percent lower than 1991 output. Michigan produces mainly Navy beans, accounting for 54 percent of all Navy bean production in 1991.

Nebraska's forecast output is 30 percent below 1991 production. Nebraska is the major producer of Great Northern beans, providing 86 percent of all Great Northern production in 1991.

Prospects for a smaller 1992 crop may boost bean prices, but likely large carry-over stocks would dampen any increase. During the summer, f.o.b. prices for pinto beans inched higher, but Navy and Great Northern prices remain near the March level. Dry bean export demand has been weak during the first half of 1992, with export sales of pinto, Navy, and Great Northern beans trailing year-earlier levels.

## Commodity Overview

### California's Premium Wine Grapes Shrink from Phylloxera

California's premium wine grape production is expected to decline for several years, as growers pull vines destroyed by an aphid-like insect called phylloxera. Output is expected to recover eventually and exceed current levels as growers replant with superior vines that should be resistant to the insect.

Phylloxera, believed to be native to the Eastern U.S., attacks grapevine roots, weakening and eventually killing the host plant. With a weakening of the grapevines, lower fruit quality and production result. Although native American grapevine varieties are able to resist the pest, the superior *vinifera* wine grape varieties introduced into the U.S. from Europe during the 19th century are susceptible. During the last half of the 19th century, phylloxera ravaged viticulture throughout the world, including the newly established northern California wine grape industry.

Grafting *vinifera* onto phylloxera-resistant hybrids of native American and *vinifera* rootstock appeared to contain the pest. Consequently, during much of the 20th century, phylloxera remained a continuous but contained viticultural problem in California.

But in 1983, phylloxera symptoms reappeared in Napa County among grapes grafted on the AxR-1 rootstock, which had been thought to be resistant. AxR-1 is also the primary rootstock in Napa County. Researchers linked the damage to a new

strain of phylloxera, "type B," which found AxR-1 a suitable host.

Thus far the infestation has been found mainly in Sonoma and Napa Counties, where AxR-1 is the primary wine grape rootstock. AxR-1 is not widely used in other California grape areas.

Wine grapevines normally have a productive life of 20 to 30 years. Controlling the current outbreak of type-B phylloxera will require accelerated replanting of about 40,000 acres of grapevines on AxR-1 rootstock over the next 8 to 12 years.

Estimates for the cost of reestablishing a vineyard range from \$8,000 to as much as \$12,000 per acre, spread over 3 or 4 years. In addition, growers lose the revenue from grape sales until the new vines are mature enough to produce a commercial crop.

On the other hand, the new plantings will produce higher average yields than the old because of the use of superior cultivars, closer plant spacing, and improved irrigation and trellis systems. The higher yields offset some of the establishment costs and revenue losses associated with vine replacement. Although the grape supply from Napa and Sonoma Counties is expected to decline progressively over the next several years as the new phylloxera spreads, it will eventually rise to record levels early in the next century when all of the new plantings come into full bearing.

For 1992, USDA forecasts a 10-percent drop in production of snap beans for processing. Wisconsin and Oregon are the biggest producers; forecast output for Wisconsin is down 21 percent but up 9 percent for Oregon.

Production of green peas for processing is forecast down slightly from last year and off 8 percent from 1990. Lower yields in Washington and Oregon more than offset higher outturns in Minnesota and New York to pull total production down.

Contracted area for processing tomatoes is down 24 percent from 1991. The cut in tomatoes reflects a production-consumption imbalance, particularly in tomato paste, resulting in ballooning stocks and low wholesale prices in 1991 and 1992.

Summer onion (nonstorage) production is forecast up 2 percent from 1991, but 10 percent short of 1990 output. Acreage for harvest is down 2 percent this year, but yields are expected higher.

### California Grape Output To Rise 12 Percent

The California all-grape crop is expected to rise 12 percent from 1991, to 5.6 million tons. Production of raisin-type grapes is expected up 22 percent. Raisin grapes in California's Central Valley suffered less heat stress than in 1991, and surveys reveal high bunch count and large berry size.

Despite an increasing grape phylloxera problem in the North Coast premium-wine area, California wine grape production is forecast 5 percent higher than both 1990 and 1991. The industry reported good growing conditions in 1992.

California's output of table grapes is up 5 percent from 1991. The total supply of fresh-market grapes includes some raisin-type grapes marketed as fresh.

USDA forecasts the 1992 all-U.S.-grape crop production at 6.13 million tons, up 10 percent from last season and 8 percent higher than in 1990. Forecasts for states other than California are 9 percent lower than last year. About three-quarters of

### Processing Vegetables—Acreage Down 9 Percent

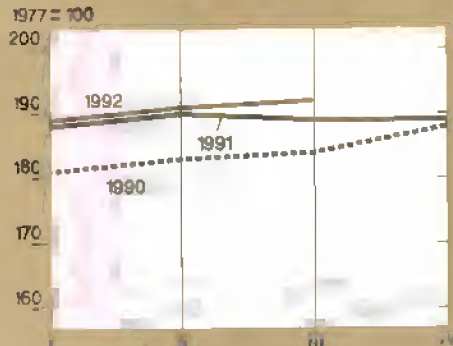
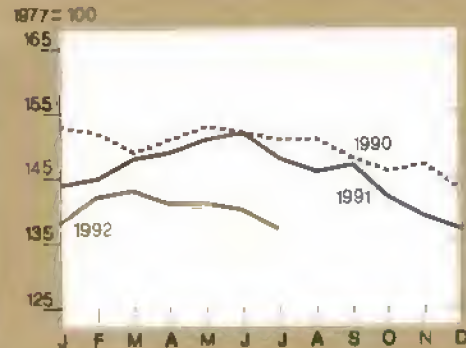
Processors contracted for 1.46 million acres of the five major vegetable crops (snap beans, sweet corn, cucumbers for

pickles, green peas, and tomatoes). This acreage is down 9 percent from each of the last 2 years. Acreage is off for all crops except peas, with pea acreage virtually unchanged from last year. Contracted area accounted for 99 percent of total planted area in 1991.

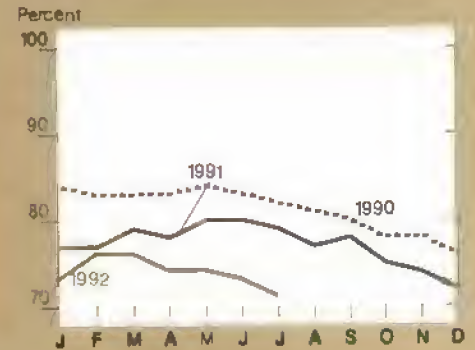
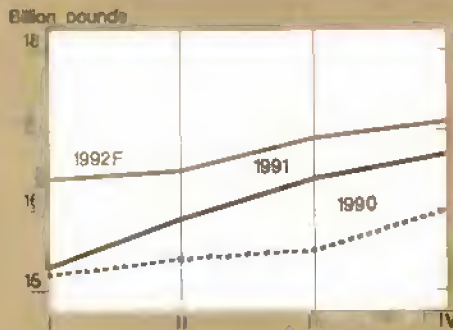
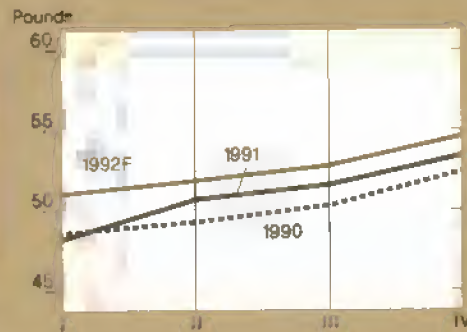
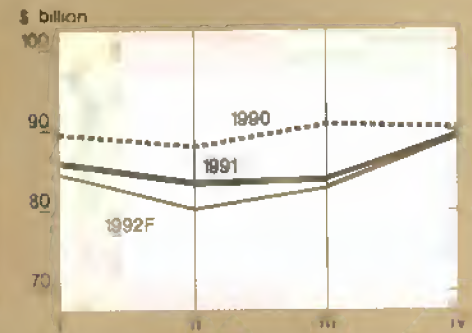
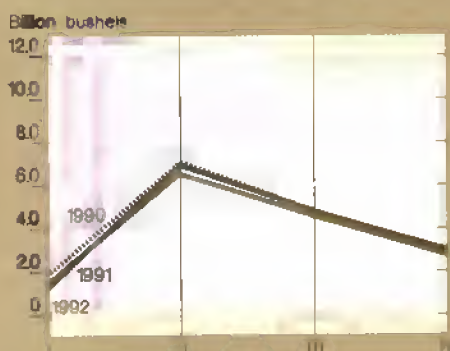
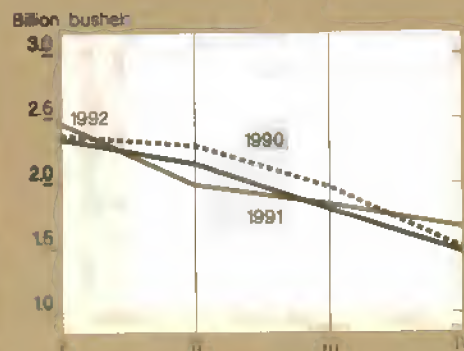
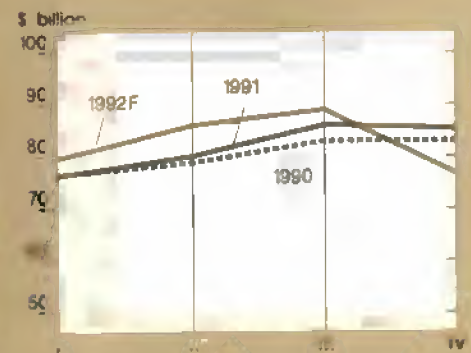
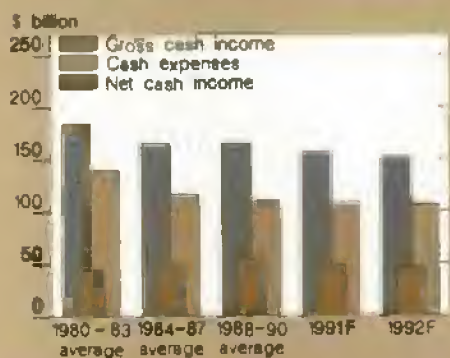
## Prime Indicators

## Commodity Overview

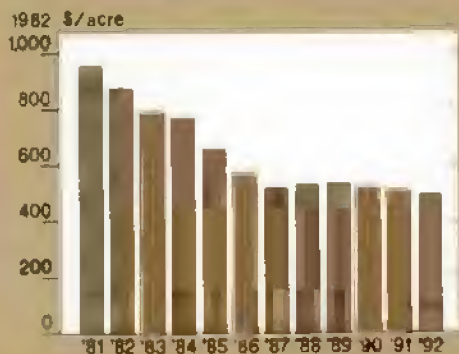
Index of prices paid by farmers

Index of prices received by farmers<sup>1</sup>

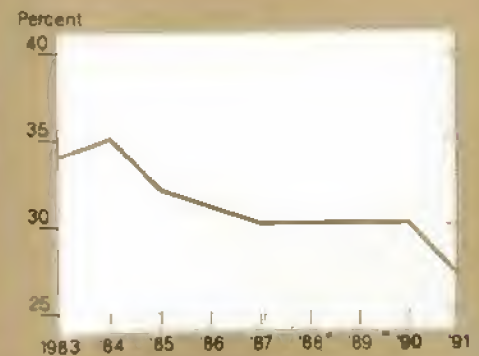
Ratio of prices received/prices paid

Total red meat & poultry production<sup>2</sup>Red meat & poultry consumption, per capita<sup>2,3</sup>Cash receipts from livestock & products<sup>4</sup>Corn beginning stocks<sup>5</sup>Corn disappearance<sup>5</sup>Cash receipts from crops<sup>4</sup>Real cash income (1987\$)<sup>6</sup>

Average real value of farm real estate



Farm value/retail food costs



## Commodity Overview

the non-California output consists of Concord grapes, which are processed into juice, jams, jellies, and wine.

### U.S. Pear Production Up 4 Percent

USDA forecasts U.S. pear production 4 percent higher than a year ago but 2 percent less than 1990. Production of pears other than Bartlett (i.e., fall and winter pears) in the Pacific coast states is forecast 3 percent higher. In 1991, 87 percent of pears other than Bartlett were marketed fresh.

Bartlett production is also forecast higher than last season—up 4 percent. Seventy-four percent of the 1991 Bartlett crop was used for processing.

The larger 1992 crop will put downward pressure on grower prices for fresh pears, which reached record highs for the 1991 crop. In addition, a significantly larger apple crop in the Northwest will increase fruit price competition and reduce demand for fresh-market pears during the 1992/93 season. Exports, which have increased for 9 consecutive years, could help boost fresh pear demand. Continued gains in exports would help move the larger 1992 crop and give some upward support to fresh prices.

### Cranberry Crop Declines Marginally

Cranberry output is forecast at 4.19 million 100-pound barrels, down 1 percent from last year's record, but still the second-largest crop ever. Massachusetts, Wisconsin, and New Jersey were the biggest producing states in 1991. Over 90 percent of U.S. cranberry production is processed, mostly into juice cocktail or juice for blending.

Despite the record-large 1991 cranberry crop, fresh supplies fell short of usual marketings during the Christmas holiday period and retail prices soared. The shortage at Christmas resulted when low quality reduced the storage life of 1991 fresh-market berries.

Cranberry marketing cooperatives are offering higher prices for fresh-market berries in 1992 to encourage producing for fresh use. Barring unforeseen quality problems, fresh-market supplies and prices are expected near normal in 1992. [Glenn Zepp (202) 219-0882]

**For further information, contact:**  
Dennis Shields and Diane Bertelsen, fruit and tree nuts; Gary Lucier, vegetables; Peter Buzzanell, sweeteners; Doyle Johnson, greenhouse/nursery; Verner Grise, tobacco; David Harvey, aquaculture; Lewrene Glaser, industrial crops. All are at (202) 219-0883. **AO**

### Upcoming Reports from USDA's Economic Research Service

The following are September release dates for summaries of the ERS reports listed. Summaries are issued at 3 p.m. Eastern time.

#### September

- 3 *Agricultural Resources*
- 8 *Western Europe*
- 14 *Agricultural Income & Finance*
- 16 *Fruit & Tree Nuts Yearbook*
- 17 *Tobacco*
- 18 *Agricultural Outlook*
- 22 *Sugar & Sweetener*
- 23 *Aquaculture*

## Commodity Spotlight



## Fruits & Vegetables Go Exotic

**T**he combination of a more ethnically diverse U.S. population and changes in dietary patterns is exposing Americans to a panorama of "exotic" produce from other countries, as well as from some regions of the U.S.

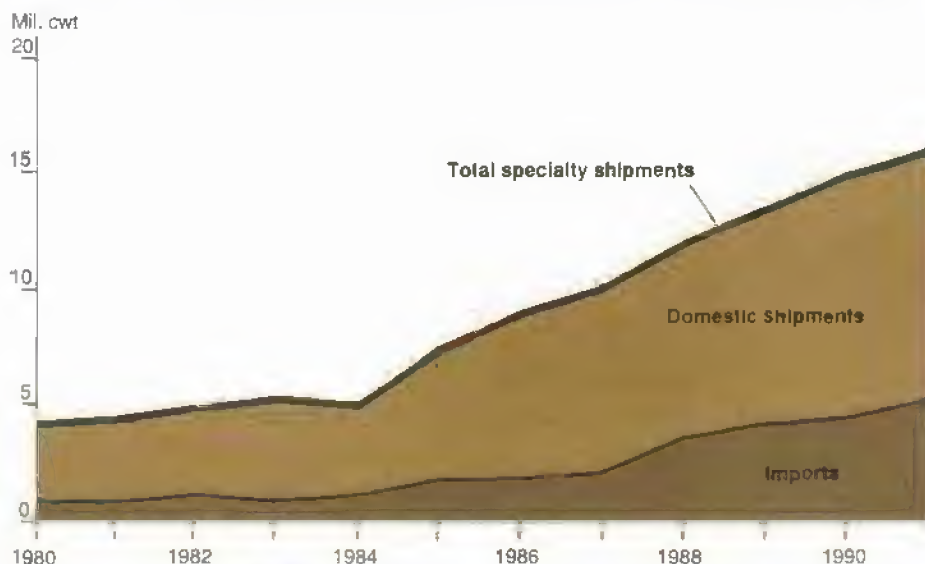
The specialty produce industry in the U.S. emerged in the 1960's, as one of the nation's first specialty wholesalers—Frieda Caplan—began experimenting with unusual fruits and vegetables in her kitchen and selling them to the Los Angeles terminal market.

The niche market for specialty produce is the fastest growing segment of the produce industry, involving a dazzling assortment of players along with an increasingly commercialized supply and distribution system. Over the last decade, the demand for all major vegetables has increased steadily, but the demand for more exotic produce, like hot chili peppers, snow peas, tropical vegetables, and other specialties has grown exponentially.

Produce departments featuring specialty vegetables are becoming a mainstay in supermarkets, with produce islands

## Commodity Spotlight

## Specialty Vegetable Imports Have Climbed to Nearly a Third of U.S. Shipments



All tender fresh vegetable shipments were 224.7 million cwt in 1991.  
Source: USDA, Agricultural Marketing Service.

featuring Latin, tropical or other specialty themes. Whole supermarkets or chains are now organized around a particular theme. For example, Hispanic-oriented supermarkets and chains have opened in Florida and in the Southwest, where there are large Hispanic populations.

In addition to a growing number of large specialty operations, whose products are destined for major chain stores, the small or part-time growers selling directly to consumers in farmers' markets and other direct outlets have also increased in number.

More than 1.5 billion pounds of specialty vegetables was shipped in 1991, including fancy lettuce and various oriental, tropical, and Mexican vegetables. This is almost four times the amount shipped in 1980. Specialty vegetables made up 7 percent of all tender, fresh vegetable shipments in 1991, up from just 2 percent in 1980.

USDA began monitoring and reporting on this fast-growing segment of the vegetable industry about 4 years ago, with data collected by the Agricultural Marketing Service and from state and industry reports. USDA's vegetable report has been expanded to include specialty imports, herbs, and California specialty production.

### What's in a Name?

The produce industry uses the term "specialties" to describe produce items that have a small sales volume. The following are more specific categories:

- **Tropical** produce includes only those fruits and vegetables grown in parts of the world with humid, frost-free tropical climates.
- **Exotic** produce is defined as unusual, and is either domestically grown or imported from another country. Examples include fiddlehead ferns and kiwano.
- **Latin American, Caribbean, and Asian** produce cover varieties commonly consumed in those parts of the world. Asian vegetables, for example, include bamboo shoots, bitter melon, Chinese cabbage, Chinese cucumber, ginger root, gourds, and snow peas.
- **Distinguishing characteristics** such as unusual size, flavor, or color, puts some traditional produce in the category of exotics. Baby vegetables, red bell peppers, and Vidalia onions are examples.

Regardless of the definition, as sales volume and distribution grow, many products move out of the specialty niche market and into the "mainstream." The kiwi, a fruit virtually unavailable in the U.S. until the 1960's, is a classic example. U.S. consumers now eat half a pound of kiwis per year on average, more than fresh cherries or cranberries. Chili peppers and snow peas are other specialties on the verge of becoming mainstream.

### California Acreage Leads the Way

As the largest U.S. producer of vegetables, California also ranks first among producers of specialties. California's Department of Agriculture monitors approximately 40 specialty and minor vegetables, and reports that production of these crops more than doubled between 1980 and 1990—to over 1.5 million tons. Their acreage and value also approximately doubled during this period, increasing to 250,366 acres producing crops worth almost \$1 billion in 1990. Garlic, fancy lettuce and melon varieties, oriental vegetables, and snow peas are some of the specialties that expanded acreage during this period.

In the U.S., Hawaii and Florida are the major states growing tropical fruits and vegetables. Crops adapted to subtropical and tropical conditions, including passion fruit, guava, and cherimoya, are also being grown in California. Tropical production in south Florida, primarily Dade County, was fairly constant during the 1980's, but has recently increased slightly as growers gain experience with production techniques for specialties.

In 1990, Florida tropical vegetable producers grew 14,100 acres of boniatos, calabazas, cassava, chayote squash, malanga, pigeon peas, and coriander. And in Hawaii, producers watched ginger root rise in importance to their state's agriculture, with near-record production of 9.5 million pounds generating a record farm value of \$6.8 million in 1990. Hawaii's other tropical specialties include taro, passion fruit, guavas, and papayas.

## Commodity Spotlight

Other states have also begun growing some specialties, although fewer statistics are generally available. While state-level crop programs have emphasized vegetables and specialties less in recent years, there are still a large number of small and part-time operations interested in these high-value, labor-intensive crops.

Consumer interest in high-quality fresh produce at farmers' markets and roadside stands has also increased in recent years. Specialty vegetables epitomize the diverse, high-quality products that farmers' market customers are seeking. According to Public Market Partners' 1992 National Farmers' Market Survey, over 1,800 farmers' markets operated in the U.S. in 1991, up 6 percent from 1988. Markets in a number of states were up dramatically: California increased 39 percent to 175 farmers' markets statewide; Wisconsin increased 47 percent, to 107; Iowa increased 21 percent to 126; and Florida was up 150 percent, to 25 markets.

### Imports on the Rise

Between 1980 and 1990, shipments of specialty vegetables from both imports and domestic sources more than quadrupled, according to USDA's Agricultural Marketing Service. USDA's specialty vegetable category includes Chinese cabbage, endive, garlic, greens (such as arrugula, collards, rappini, and swiss chard), fancy lettuce varieties, parsley, chili peppers, snow peas, as well as miscellaneous herbs, oriental vegetables, tropical produce, and other specialties.

The principal domestically produced specialties are fancy lettuce varieties, greens, and oriental vegetables, while the major imports are tropical produce, chili peppers, and miscellaneous specialties such as alfalfa sprouts and jerusalem artichokes. Imports have grown in importance as U.S. consumers' taste for specialties has expanded, increasing from 873,000 cwt shipped in 1980 to over 4.5 million in 1990. In the same period, the market share of specialty imports increased from 20 to 30 percent of the total specialty shipment volume.

## A Specialty Sampler

### From Bok Choy to Snow Peas . . .

The produce industry has begun referring to specialty produce as "not-so-common" fruits and vegetables, because the numerous definitions of specialties—such as low-volume fruits and vegetables, produce in unfamiliar colors, and tropical items—are broad and overlapping. Industry surveys also suggest that U.S. consumers in the West are generally much better acquainted with specialties than those in other regions of the country, but that many more consumers have heard of various specialties than have tried them. Here's a sample of some "not-so-common" fruits and vegetables:

**Asian pears** look like slightly oversized apples, and taste like a cross between apples and pears. They are eaten fresh and in desserts.

**Baby vegetables** are generally miniature varieties of mainstream vegetables, including artichokes, beets, carrots, cauliflower, corn, eggplant, lettuce, squash, and tomatoes. California has been growing over 1,000 acres of these vegetables in recent years.

**Bok choy**, also called Chinese cabbage, has thick white stalks and dark green leaves, and varies in size. It is frequently used in stir-fry and other Chinese dishes.

**Cilantro** is a widely used herb for flavoring and garnishing Asian and Latin dishes. Coriander, the dried seeds of this plant, have a much different flavor and are often used as a pickling spice.

**Fiddlehead ferns**, also called fiddlehead greens, are tiny uncurled, bright green baby ferns. They are cooked like a vegetable and used as a garnish.

**Jerusalem artichoke**, also called sunchoke, is a small, pale brown tuber which tastes crunchy when eaten raw, and has a hint of regular artichoke flavor when cooked.

**Kumquats** look like miniature oranges. They have edible sweet skin and a tart interior, and are eaten fresh and used as a garnish.

**Leeks** are a type of green onion and are popular in Europe, especially Wales. They are larger and milder in flavor than regular green onions.

**Passion fruit** is a small fruit with crunchy seeds that make an especially flavorful juice. The juice is recommended as a topping for desserts and as an addition to beverages.

**Pomegranates** are round, red fruits about the size of an apple. They are filled with edible red seeds which can be eaten raw or used for juices and desserts.

**Radicchio**, also called red chicory and Italian red lettuce, is a salad green with a distinctive flavor and look. The variety sold most often in the U.S. is reddish-purple with white veins.

**Sprouts** are sprouted beans and seeds which are used on sandwiches and in salads and Asian dishes. Alfalfa seeds and mung beans are most frequently used for making sprouts.

**Snow peas**, also called Chinese pea pod and sugar peas, are edible pea pods containing tiny peas. They are eaten fresh and cooked.

### . . . And Avocados to Yucca

Tropical fruits and vegetables, as their name suggests, are grown in parts of the world with tropical climates. In the U.S., tropical crops are grown in

## Commodity Spotlight

Hawaii, south Florida, and even in small pockets along California's southern coast. As with many specialties, consumers in the Western U.S. tend to be more familiar with them.

**Avocado** is a relatively familiar fruit, about 4 or 5 inches long, with thin, green skin. It is used like a vegetable in salads, sliced on sandwiches, and used to make guacamole dip.

**Boniato**, a staple root crop in many Latin and Asian countries, looks much like a sweet potato but is drier and not as sweet.

**Calabaza** is a large, round or pear-shaped squash which resembles a pumpkin. It can be substituted in recipes for pumpkins and winter squash varieties.

**Carambola**, also called star fruit, is a small, yellow, cylindrical fruit which is star-shaped in cross section. Carambolas are used fresh, in fruit salads, and as a garnish.

**Chayote** is a pale green squash which tastes somewhat like zucchini but is crunchier.

**Coconut**, another familiar tropical fruit, has a round brown shell and is filled with juice. It can be eaten fresh and is used in many desserts.

**Ginger** is a small, brown, spicy tuber frequently used in Asian cooking. It can be used to flavor cakes, ice cream, and sweet beverages as well as sauces, condiments, and stir-fry dishes.

**Jicama** (pronounced "hikkama") is the most widely used root crop in Mexico. Jicamas are smooth and round, vary in size, and taste like potatoes but are crunchier.

**Malanga** is another starchy root crop which is a staple in tropical countries and has uses similar to potatoes.

**Mango** is one of the most popular fruits in the tropics. The ripe fruit is usually partly red or yellow, and is eaten fresh and used in desserts.

**Taro**, also called dasheen, is a brown, barrel-shaped tuber that has uses similar to potatoes. In Hawaii and the South Pacific, it is eaten often in a dish called poi.

**Tomatillos**, also called Mexican husk tomatoes, resemble tiny green cherry tomatoes with clinging husks. They are eaten raw and cooked, and are a major ingredient in salsa.

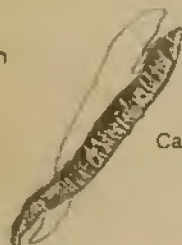
**Yucca** is a popular root crop used in Asian, African, and Latin cooking. It is cooked in a variety of ways, and is widely known in its processed form as tapioca.



Pomegranates



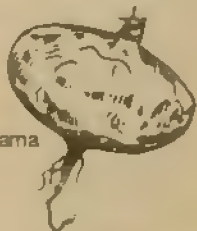
Fiddlehead Fern



Cassava



Leeks



Jicama



Carambola



Kumquat



Chayote



Malanga



Mango



Tomatillos

## Commodity Spotlight

Many of these imported specialties are not widely produced in the U.S., and so do not compete directly with U.S. products. On the other hand, markets for some traditional vegetables may have been affected slightly by the increasing availability of specialties. For example, the volume of specialty lettuce shipments soared during the 1980's, from 2 percent to 13 percent of total lettuce shipments. Shipments of traditional iceberg lettuce, on the other hand, declined slightly.

In 1980, fancy lettuce varieties enjoyed the largest volume among the specialties, accounting for 27 percent of the total specialty volume. Greens were next (22 percent), followed by escarole and endive (12 percent), and chili peppers (8 percent). The remaining specialties amounted to 30 percent of the total.

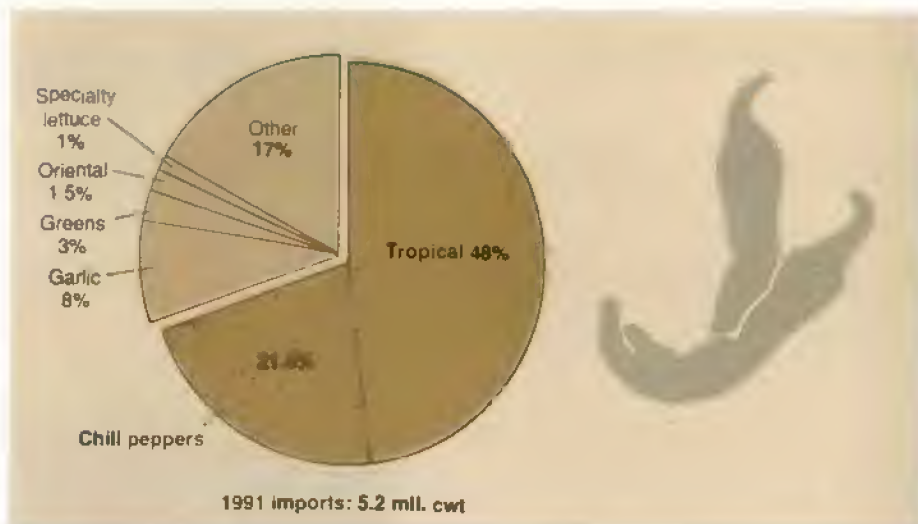
By 1990, shipments of fancy lettuce varieties expanded to account for over half of the total specialty volume, and chili

pepper shipments increased slightly to about 10 percent of the total. Shipments of greens declined to 8 percent, and escarole and endive to barely 2 percent.

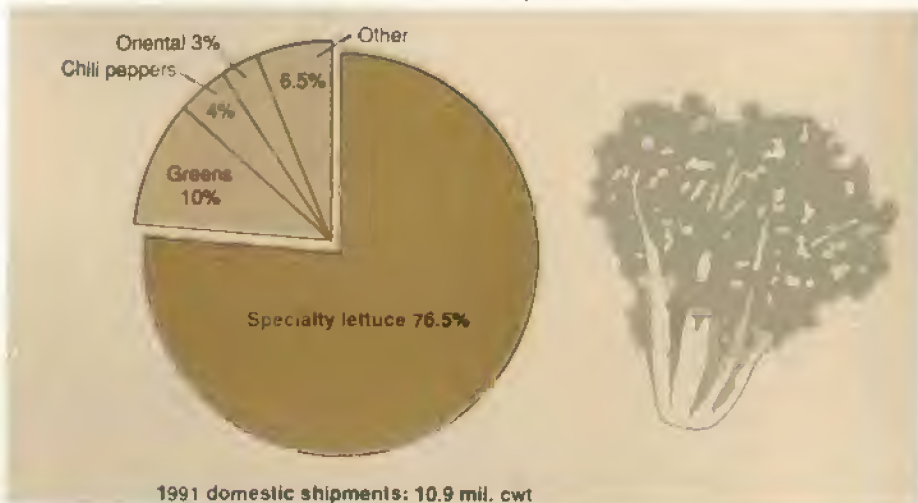
The most dramatic shift occurred in miscellaneous tropical produce, the fastest growing category of specialties for several years. Shipments of tropical fruits and vegetables rose from 41,000 cwt in 1980 (accounting for only 1 percent of total specialties), to almost 1.5 million cwt in 1990 (10 percent). The tropical shipments category includes arum, batatas, breadfruit, calabaza, chayote, dasheen, ginger root, malanga, tamarind, yams, and yucca.

In addition to the relatively small amount of domestic production, tropical specialties are coming from Costa Rica, Jamaica, Mexico, Colombia, Dominican Republic, and other Caribbean and Latin American countries. Dasheens, tomatillos, jicamas, and yams are the top imported tropical specialty products.

### Tropical Products and Chili Peppers Make Up Most U.S. Specialty Vegetable Imports . . .



### . . . But Specialty Lettuce Dominates Domestic Shipments



Tropical products include dasheen, yams, cassava, chayote, ginger root, arum, boniato, breadfruit, calabaza, tamarind, and yucca.

"Other" includes escarole, Chinese cabbage, herbs and parsley, snow peas, and miscellaneous specialty vegetables.

Source: USDA, Agricultural Marketing Service.

### Out of a Niche, Into the Mainstream

Earlier this year, *The New York Times* reported that U.S. sales of salsa topped catsup sales in 1991, making salsa the country's number-one condiment. The new and widespread popularity of salsa, like the surge in the specialty vegetable market, reflects some of the same fundamental changes in the U.S. diet. Americans have not only become more health-conscious but are demanding more diverse and often ethnically flavored foods.

Recent census data also reveal that the U.S. population itself is becoming more ethnically diverse. The number of residents of Hispanic origin grew from 5.9 to 8.5 percent of the U.S. population between 1980 and 1990, and is expected to be over 10 percent by the end of this decade. The increasing Hispanic population has contributed directly to the rising demand for Latin American and Caribbean vegetables and foods and has indirectly stimulated their popularity in mainstream markets.

## Commodity Spotlight

Based on population changes, changes in diet, and the U.S. consumer's persistent fascination with novelty, the demand for specialty vegetables is likely to continue rising throughout the 1990's and into the next century. Trade liberalization, harmonization of phytosanitary standards, and increasing international cooperation on research are developments that may lead to further improvements in the quality and accessibility of specialties in coming years.

[Cathy Greene (202) 219-0886] **AO**

## September Releases from USDA's Agricultural Statistics Board

The following reports are issued at 3 p.m. Eastern time on the dates shown.

## September

- 2 Walnut Production (Tent.)
- 3 Egg Products
- 4 Celery (1 p.m. report)
- Poultry Slaughter
- 8 Dairy Products
- 10 Cotton Ginnings
- Crop Production
- 11 Farm Labor
- Vegetables
- 14 Milk Production
- Turkey Hatchery
- 18 Cattle on Feed
- 21 Catfish
- 22 Cold Storage
- 23 Citrus Fruits
- 24 Hop Stocks
- Potatoes
- 25 Cotton Ginnings
- Eggs, Chickens & Turkeys
- Livestock Slaughter
- 28 Peanut Stocks & Processing
- 29 Agricultural Prices
- 30 Grain Stocks
- Hogs & Pigs

## Environment &amp; Resources



Calif. Dept. of Water Resources Photography Unit

## California Drought Lingers . . .

**L**ike an unwelcome guest, the California drought lingers into its sixth consecutive year. While average precipitation was greater than last year, it fell on extremely dry soils, limiting runoff for agriculture and leaving surface water supplies about the same as in 1991—very poor.

Farmers in California's Central Valley cultivate over 5 million of the nation's most productive acres. For the most part, these farmers are also irrigators, because irrigation is necessary for the majority of California's crops. Concerns rise among producers when supplies of a basic input like irrigation water become uncertain.

Average state-wide precipitation totals are estimated at 89 percent of normal, compared with 76 and 69 percent in the prior 2 water years. But the average for the state this year is skewed upward by precipitation 220 percent of normal in the southern desert area and by heavy rains in coastal and urban areas that caused flooding in the vicinity of Los Angeles. These rains caught the nation's attention, but did little to improve water supplies, since little water storage exists in desert

and urban areas to capture runoff. A better gauge of precipitation in areas with water storage is the 76-percent-of-normal precipitation in the Sacramento River Basin.

The best single measure of the California water supply is the Sacramento River Index, which measures the natural flows of the Sacramento River and its tributaries—the foundation of California's water system and the Federal and state water projects. July forecasts of the Sacramento River Index for 1992 stand at 8.8 million acre-feet (maf), 47 percent of normal. (An acre-foot is enough water to cover 1 acre to a depth of 1 foot—or 325,851 gallons.) This level compares with 8.4 maf last year and a 50-year average of 18.9 maf, classifying 1992 as the fifth "critical year" of the last six.

Federal and state water projects, both located in the Central Valley, together provide about 35 percent of agriculture's total water supply in California. Other major water sources for California agriculture include groundwater, local surface water developments, and imports from the Colorado River.

The U.S. Bureau of Reclamation's Central Valley Project (CVP), which supplies 30 percent of the state's agricultural water in a normal nondrought year, is projecting deliveries at 3.5 maf, 49 percent of normal. This is the lowest CVP delivery in the past 15 years, with only the single-year drought of 1977 resulting in less water for delivery.

For the majority of the CVP's contractors that rely on Sacramento River Basin water, agricultural allocations are 25 percent of normal. For contractors holding water rights prior to the Federal project (supplying about 35 percent of normal deliveries), allocations are 75 percent of normal. The Friant-Kern unit of the CVP, which delivers water to the southern San Joaquin Valley, a hard-hit drought area, relies on the San Joaquin River Basin for its water supply. Allocations from the Friant-Kern Canal are 44 percent of normal supplies, down from last year's 53 percent.

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The California State Water Project (SWP) estimates deliveries at 45 percent of normal for both agricultural (0.56 maf) and urban (1.1 maf) contractors. The SWP normally provides about 5 percent of agriculture's water, primarily to the southern San Joaquin Valley, but provided no water for agriculture last year.

### ...Challenging Agriculture

Despite these severe limitations on agricultural surface water supplies, irrigated acres have declined by only about 5 percent and sales of California's agricultural products have fallen just 2-3 percent from the drought. But the drought has challenged the resourcefulness of California irrigators and California's irrigation infrastructure. Agriculture has been able to maintain production and sales by unprecedented extraction of groundwater and improved management of reduced, but still substantial, surface water supplies.

The lack of a regionally devastating crop failure from the drought does not imply that all local areas escaped damage. Farmers without alternative water

sources were no doubt forced to choose between severe reductions in cropped acres and the purchase of expensive water to keep perennial crops alive. Areas with large numbers of these farmers saw local communities suffer, such as the predominantly cotton producing area of Kern County, or the rice areas of Yuba and Butte Counties. (See *Agricultural Outlook*, July 1991, for estimates of potential local impacts in cotton and rice production areas.)

Groundwater pumping through existing and newly drilled wells has increased, although the rate of extraction may lead to future economic losses from reduced groundwater quantity and quality. Estimates of overdrafting—pumping groundwater above normal recharge levels—are spotty, and depend on local well monitoring. One estimate of the drought period's cumulative overdraft in seven San Joaquin Valley counties is 11 maf. (For comparison, the CVP delivers 7.1 maf in a normal year.)

This rate of aquifer extraction is unprecedented, and the long-term consequences are uncertain, but likely damaging to the aquifer. Continued declines in aquifer levels increase the prospects of both

severe land subsidence with potentially costly infrastructure failure, and water quality degradation. Heavy overdrafting, will continue this year.

Because of higher water costs, declines in net returns will be greater than declines in sales. Costs for surface water have increased because some producers were forced to purchase water from the state's new Drought Water Bank. Others have contracts to pay fixed fees for water based on acreage irrigated, not on water received. Producers in SWP-served areas, for example, received no water last year but were charged as in a normal year. Groundwater costs increased overall, because of higher pumping costs from declining aquifer levels and increased electricity rates. A more general reduction in net returns is likely as the drought continues and groundwater levels continue to decline.

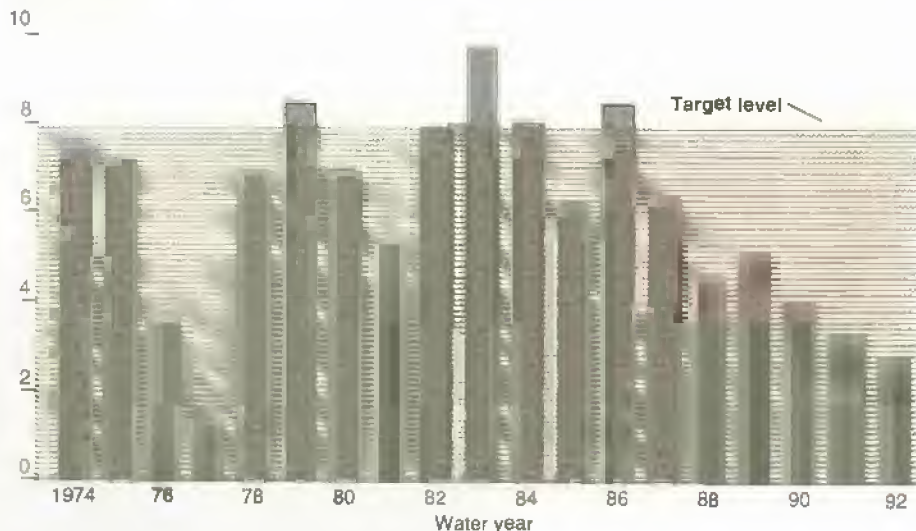
### The Water Bank Remains in Business

In 1991, California established the Drought Water Bank as a market mechanism for transferring water to meet high-priority urban and agricultural needs. The state acts as water broker—purchasing water from willing agricultural sellers, pooling the transfers, then moving water to users willing to purchase water. Considering its establishment during severe drought conditions and the historical lack of water markets in California, the Drought Water Bank has been an immense success. (For more details on the Drought Water Bank, see *Agricultural Outlook*, July 1991.)

The Drought Water Bank is continuing in 1992, with modifications mainly in purchase terms and price. This year, the state sought firm commitments to purchase water before seeking water from irrigators, in order to prevent unneeded state purchases of water. The price to irrigators who sold water to the bank was lowered to \$50 per acre-foot, down from \$125 last year. Sources of water for contracts include substitution of ground- for surface water, and stored surface water from private irrigation districts. Contracts that pay producers to fallow irrigated acres, which provided half of the

Central Valley Storage Water Levels Continue Well Below Target

Mill. acre-feet



Carryover storage at end of water year (September 30).

1992 estimate.

Source: U.S. Bureau of Reclamation.

## Legislative Update On CVP Reform

California agriculture would be substantially affected by legislation pending in Congress that would reform the operations of the CVP. The CVP reform bill currently receiving attention is HR 5099, which is scheduled to be folded into HR 429 as an amendment. The stated purpose of HR 5099 is "to provide for the restoration of fish and wildlife and their habitat in the Central Valley of California." The bill deals with infrastructural adjustments to dams, canals, and pumping plants to mitigate their impact on fish populations. Additionally, it specifies that increased water flows be made available for fish and wildlife needs. It is the increased flow requirements, as well as water transfer provisions, pricing, and contract reforms, that would directly affect agriculture.

As pending legislation, of course, the content is still subject to substantial revision, if not total redirection. The Administration has not given support to the bill in its present form, adding further doubt about passage of the current language.

**Agricultural water quantities.** Currently, HR 5099 does not specify a quantity of water available for agriculture, or to be transferred from agriculture. Instead, the bill expands the objective of the CVP to include "mitigation, protection, and restoration and enhancement of fish and wildlife." To meet that purpose, HR 5099 would establish a goal of "implementing a program which makes all reasonable efforts to ensure that, by the year 2002, natural production of anadromous fish—salmon, steelhead, striped bass, sturgeon, and American shad—in Central Valley rivers and streams will be sustained, on a long-term basis, at levels not less than twice the average levels attained during the period of 1981-90."

This language does not set a specific quantity of water needed for fish and wildlife, and since an exact relationship between water quantity and natural production of fish and wildlife is unknown, the amount of water needed is unknown.

An earlier version of HR 5099 set water quantities for fish and wildlife between 1.5 and 2.5 million acre-feet (maf). (By comparison, the CVP delivers, for all purposes, 7.1 maf in a normal nondrought year, and will deliver 3.5 maf this year.) The source of water for fish and wildlife is also unspecified in the legislation.

In above-normal precipitation and runoff conditions, this quantity of water would probably be available without adjustments to deliveries of current users. In a drought year like 1992, however, delivery reductions to agriculture would almost be assured, exacerbating already difficult conditions.

The current version of HR 5099 offers options, in order of desirability, for providing adequate water. They are: "improvements in or modifications of the operations of the CVP, conservation, transfers, conjunctive use, purchases of water, purchase and idling of agricultural land, and reductions in deliveries to CVP contractors." Options other than the improvements of operations, reductions in deliveries, and perhaps conservation, require initial out-of-pocket costs. And since the viability of significant funding levels is not assured, transfers, conjunctive use, purchasing water, purchasing land, and possibly conservation, may not provide the anticipated water quantities.

This increases the likelihood of the last option—reductions in water deliveries. Conservation could be a low-cost choice if directed at improving irrigation management. But if the installation of new irrigation technology is required, considerable expense may be involved. Full cost sharing is authorized by the bill, but not funded, to assist in the capital needs for improved irrigation technology.

**Markets for CVP water.** Compensated transfers of CVP water from willing individuals or irrigation districts to any other California water user would be allowed under HR 5099. The transfer provisions of HR 5099 create a more open market than the current Drought Water Bank, because users would be able to participate and set mutually

agreed prices between buyers and sellers. Transfers outside the CVP service area would be subject to a "right of first refusal" on the same terms and conditions to users within the service area. And all transfers in excess of 20 percent of a district's CVP supply would be subject to a public hearing process.

The difficult issue of who pays for enhancing river flow, a common property resource, is not fully developed. The current language of the bill calls for a \$15-million annual fund for fish and wildlife restoration use. Funds would be provided by a surcharge on CVP water and power users. If these funds are used to purchase water, at \$50 per acre-foot (the current 1992 Water Bank price), \$15 million would rent 300,000 acre-feet annually—far less than the 1.5 maf thought to be needed in a prior version of the bill.

**Agricultural water prices.** A provision of HR 5099 would dramatically alter the way water is priced, and increase average agricultural water prices. The proposal would transform the current fixed-price system into one that charges for water delivered, with a price that escalates as water use increases. Under this system, users—municipal, industrial, and agricultural—would pay contract rates for the first 60 percent of contracted water quantity, full cost for the last 20 percent of contract water used, and a rate halfway between contract and full cost for water above 60 and less than 80 percent of the contract quantity. Users would pay only for water received. This provides clear incentives for water conservation, unlike the present pricing system.

**Contract terms.** In addition to the uncertainty associated with water quantities and higher water prices, long-term contract renewals under HR 5099 would be limited to 20 years—half the present term for contracts and shorter than the normal planning horizons for many agricultural producers, especially those with vine and tree crops. As contracts are renewed, HR 5099 would revisit the contracted water quantities, and would allow them to be reduced to provide increased flows for fish and wildlife.

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bank's water last year, are currently not under consideration, in the interest of minimizing impacts to agriculture and related industries.

Currently, contracts have been obtained for about 85 percent of the 150,000 acre-feet of water the state is seeking. This year, two-thirds of the water moving through the Water Bank is going to agricultural producers to supplement low surface water allocations. Last year, when the sales price was about \$100 per acre-foot higher, only about 20 percent of the water went to agricultural users.

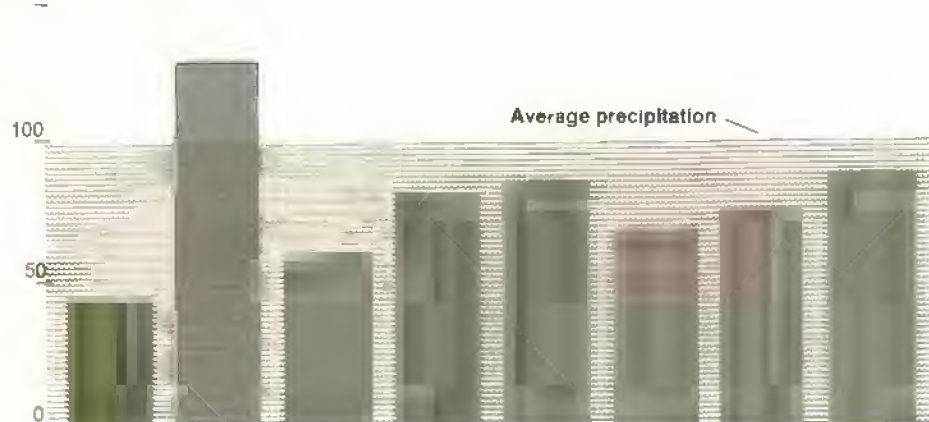
### Pressures for Policy Change

The ongoing drought has heightened pressures to modify operations of the federally financed CVP, although the drought is not the only factor. Various groups wish to modify or maintain CVP operating rules and policies on a laundry list of issues. Underlying much of the discussion are questions about the role of the public in deciding how water should be allocated. Among the more important issues are the following:

- **Instream reallocation.** Proposals abound on the instream water quantities needed to stabilize and improve fish populations. The reallocation of water toward instream uses is a contentious issue, given that a decline in fishery resources is due in part to diversions of water for agricultural uses, that agriculture is the largest water user in California, and that little excess water exists. The addition of the winter-run chinook salmon to the list of threatened species is increasing pressure for action.
- **Water markets for CVP water.** Current operating rules limit the use of water supplied by the U.S. Bureau of Reclamation to "service areas" as specified in CVP authorizing legislation. This institutional barrier blocks potential sales from farmer-irrigators to urban areas and other potential buyers outside the service area, whether across the road or hundreds of miles away. Water markets for environmental flows face an additional

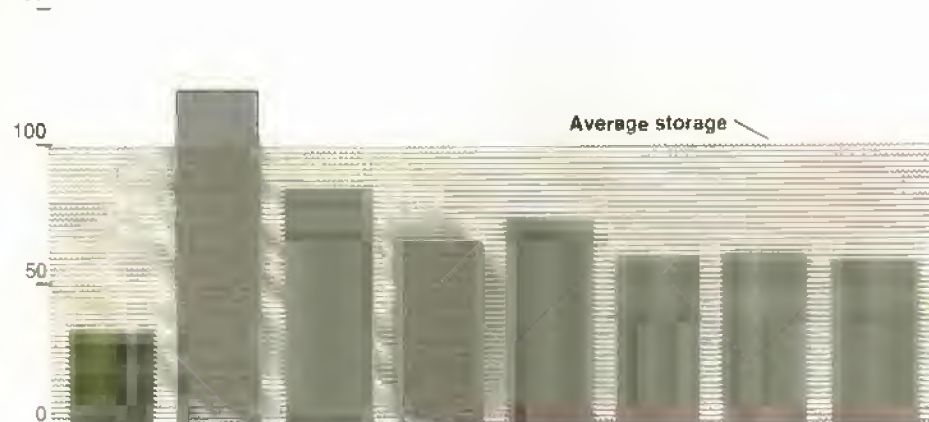
### Since 1986, Below-Normal Precipitation in California . . .

Percent of average  
150  
100  
50  
0



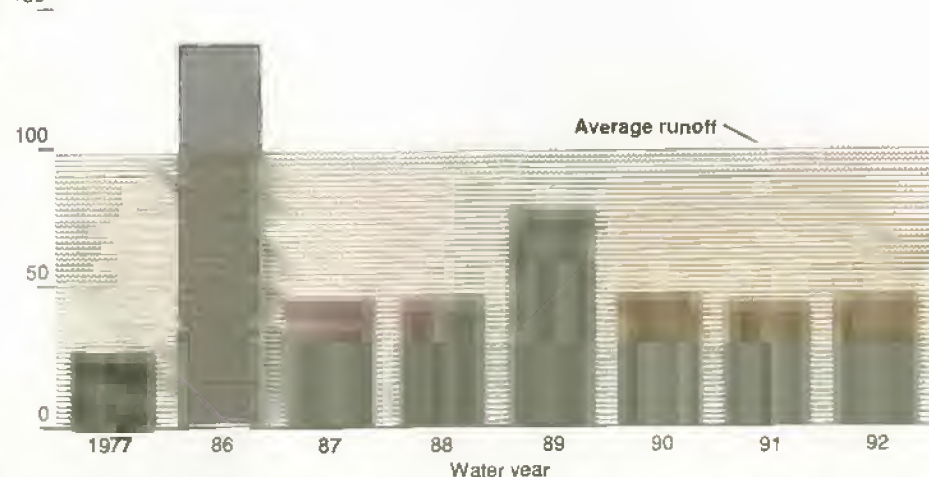
### . . . Has Depressed Reservoir Levels

150  
100  
50  
0



### . . . and Stunted Stream Flow\*

150  
100  
50  
0



\*Sacramento River Index. The index measures runoff of the Sacramento River and its tributaries. The 50-year average is 18.9 million acre-feet.

Water year: October 1-September 30, 1992 estimate.

Source: California State Department of Water Resources.

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problem: Who should pay for increasing river flows, which are a common property resource?

- **Agricultural water prices.** Although all users pay for water, water from the CVP is priced to agriculture on a fixed basis that, in many cases, does not cover full costs. A price increase for irrigation water is almost certain, but the magnitude is unknown. Also questioned is the structure of the pricing system that requires payment for a fixed water quantity regardless of use or availability. Some alternative pricing structures focus on water price as a mechanism to encourage more efficient water use.
- **Contract terms.** Bureau of Reclamation projects, including the CVP, generally serve as water wholesalers. The CVP has contracts with irrigation districts and other quasi-public entities that actually deliver the water to farmers. The original 40-year contracts signed when the CVP became operational are now expiring. Issues of water quantities, water pricing, and contract length are all being contested. An environmental impact statement, directed by the Mid-Pacific Regional office of the Bureau of Reclamation, will be prepared to provide information on some of these issues.

The Reclamation Projects Authorization and Adjustments Act of 1992 (H.R. 429) considers the issues mentioned above in a section on reforming operations of the CVP. But the House- and Senate-passed versions of the proposed legislation are substantially different. Either version will change the way the CVP is operated, and require adjustments for agriculture.

In addition, the state of California and the Department of the Interior have begun negotiations on transferring control of the CVP to the state. California views this as "taking control of its resources," with the ability potentially to increase water supplies through more efficient operation of one project rather than the two present systems (CVP and SWP).

While a transfer to state control would not in itself resolve the issues outlined above, it would change the "public" from all U.S. residents to residents of California. With control transferred to California, current CVP operating policies may no longer apply. These policies—such as restrictions on water transfers and charging less than full cost for water delivered—have helped agriculture maintain a dependable, relatively low-cost water supply.

### California Farmers Face Uncertainties

If the drought continues into the seventh year, financial and water reserves will become even more strained. Based on projected inflows and deliveries, the CVP is forecasting an end-of-season (September 30) carryover storage of 2.8 maf—0.5 maf less than this year's start and only 35 percent of target.

Producers face uncertainties about the effects of policy on the supply, price, and availability of water from the federally financed CVP. Additionally, if proactive efforts to supply water for environmental flows are not forthcoming, the likelihood increases that more species will be listed as "endangered." This, in turn, will increase the probability of court intervention to force compliance with endangered species laws.

While success in holding production and revenue nearly steady despite the drought is a credit to the current system in the short run, the substantial drain on the groundwater resource is likely to generate further challenges to California agriculture in the future. One certainty is that irrigated agriculture will have less water to work with in the future. Although irrigated agriculture need not decline, it will have to become more efficient, both physically and economically. [Noel Gollehon (202) 219-0410] **AO**

## U.S. Economy



### Economy's Growth Slows Again

**A**fter a rally in the first quarter, the economy grew slowly again in the second. Real GDP grew at an annual rate of only 1.4 percent in the second quarter, compared with nearly 3 percent in the first. Declines in consumer spending and exports, as well as rising imports, were factors.

Strong purchases of business equipment and a burst of residential construction prevented the economy from declining in the second quarter. Real purchases of business equipment soared more than 20 percent at an annual rate, and relatively low interest rates pushed up residential building nearly 9 percent. Even with healthy growth in these sectors, however, overall GDP remained below the prerecession peak reached in the second quarter of 1990.

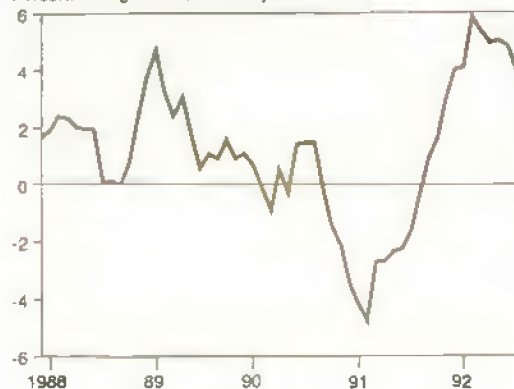
Consumer spending remained low, a result of weak consumer income growth, further consumer debt reduction, and low consumer confidence. Inflation-adjusted disposable income rose 0.7 percent at an annual rate in the second quarter, less than half the prerecession pace of 1.8 percent in 1989.

## U.S. Economy

### The Economy Continues To Grow Slowly...

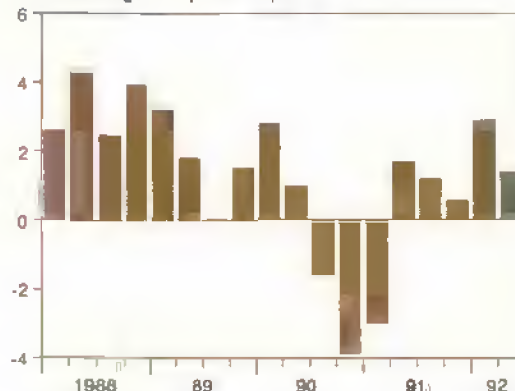
#### Composite Index of Leading Indicators

Percent change from previous year



#### Real GDP Growth

Percent change from previous quarter

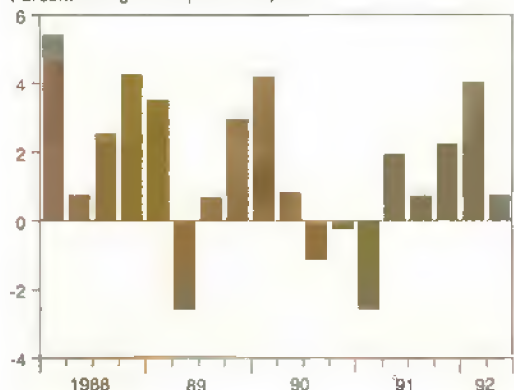


Annualized rate.

### ...Disposable Income Growth Is Low and Unemployment High

#### Real Disposable Income

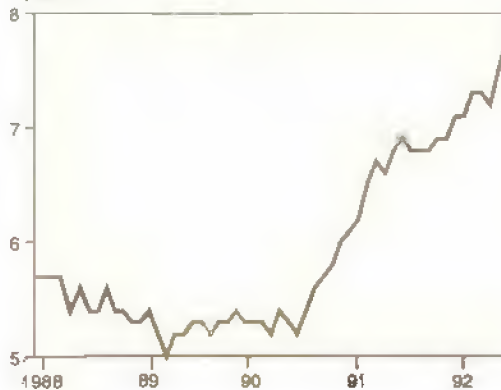
Percent change from previous quarter



Annualized rate.

#### Civilian Unemployment Rate

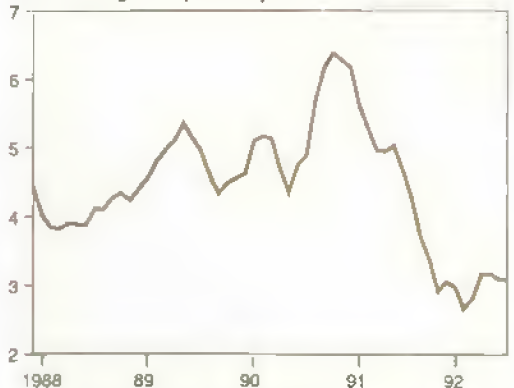
Percent



### ...But Inflation and Interest Rates Remain Historically Low

#### Consumer Price Inflation

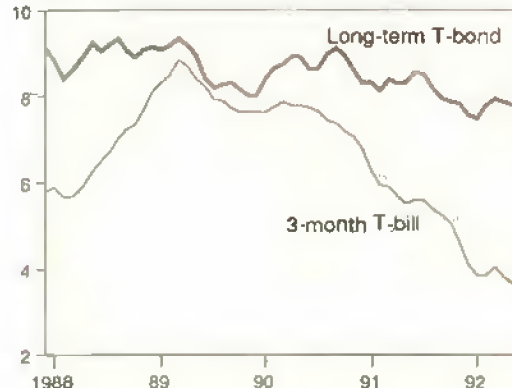
Percent change from previous year



Consumer Price Index—all urban consumers.

#### Short- and Long-Term Interest Rates

Percent



## National Interest Rates & Farm Loan Rates: How Closely Related?

How will lower short-term interest rates nationally affect the rates farmers pay? One approach to the question focuses on average statistical relationships between movements in overall short-term Treasury interest rates, and in interest rates paid by farmers on specific loans, such as for feeder cattle, operating expenses, and mortgages. This approach is useful for examining issues such as how much of the change in the risk-free rate is reflected in agricultural rates (the "pass-through"), and how long it takes for those changes to show up.

Examining quarterly movements from 1977 through early 1991 in the 3-month Treasury bill rate and interest rates paid by farmers shows the following:

- When 3-month Treasury bill rates fall by 1 percentage point, rates facing farmers fall by less. The data suggest that about 60-80 percent of a drop in 3-month bill rates is eventually passed through to agricultural borrowing rates.
- Although rates charged farmers may begin to adjust to changes in 3-month Treasury bill rates quickly, it takes about 18 months for most of the change to be incorporated.
- Among the three loan types examined here, interest rates on farm mortgages take longer to adjust to changes in the 3-month Treasury bill rate than loans for either feeder cattle or miscellaneous operating expenses.

A second approach focuses on factors that determine the rates banks charge farmers, shedding some light on why the pass-through is incomplete and not immediate. Banks charge their customers rates that cover the banks' own

costs of acquiring funds and include their estimates of the likelihood of customer default. When national interest rates fall, so does the cost of acquiring funds—like rates banks pay on certificates of deposit—and competition for new loans encourages banks to lend at lower rates.

As with the first approach, the findings also suggest less than full pass-through and some adjustment time. Pass-through and adjustment time can vary depending on where a bank acquires its funds, the size of the bank, and the perceived riskiness of loans made to the agricultural sector.

For instance, small and large banks acquire funds differently and appear to have distinctive loan-pricing approaches. Small banks rely on small consumer-type deposits that adjust relatively slowly to market interest rate changes. In addition, small banks tend to base lending rates on the average cost of acquired funds. Taken together, these characteristics suggest that when short-term interest rates drop suddenly, small-bank lending rates will trail behind.

Large banks tend to base lending rates on the most recent cost of acquired funds. But large banks tend to rely more on short-term, large money market deposits that quickly reflect market interest rate changes. When short-term interest rates drop sharply, these declines will typically outrun the costs of funds to large banks. But the spread in pass-through and the adjustment time will typically be less than what borrowers experience at small banks.

Small and large banks also respond differently when the perceived risk of agricultural loan default rises, with interest rates to farmers more likely to rise in small banks. This is probably because agricultural loans account for a higher percentage of loans at small banks than at large banks. Thus, agricultural loan default would present small banks with a greater threat to solvency, and they react more strongly.

Both approaches to examining interest rates can be useful in projecting the movement of farm loan rates in the next 18 months. The decline of a half percentage point (50 basis points) in the Federal funds rate in early July is likely eventually to bring short-term agricultural lending rates down by another 30-40 basis points. The adjustment may occur more quickly at large banks, and overall, it may take until the end of 1993 to be nearly complete. Even if general short-term rates were unchanged for the next year, farm loan rates would likely continue to drift down as they adjust to the most recent decline and to previous reductions.

At least two factors could affect the ultimate size of the pass-through. The first is any unexpected change in the financial health of the farm sector. Secondly, the general need to restore bank profitability and increase bank capital as the economy recovers from recession may cause the pass-through to be smaller than the historical estimates. [For further information contact Ronald A. Babula (202) 219-0785 or Paul A. Sundell (202) 219-0782].

## U.S. Economy

Sluggish economic growth in Germany and Japan contributed to the second quarter's export decline. In Germany, real GDP grew just 0.8 percent in the first quarter, while industrial production in Japan declined nearly 9 percent between May 1991 and May 1992. U.S. exports fell about 4 percent, and the real net export deficit rose to \$36 billion, the highest since the third quarter of 1990.

### *Unemployment Rises, Inflation Cools Further*

The sluggish economy kept job growth low through the middle of the year. The number of nonfarm payroll jobs rose by only about 30,000 each month during the first 6 months of the year, compared with more than 200,000 a month during 1987 through 1989. In contrast to low job gains, the number of people entering the labor force rose substantially in the first half of the year. As a result, the unemployment rate jumped in May and June, and by July stood at 7.7 percent, remaining near an 8-year high.

Weak growth, a rising unemployment rate, and substantial excess industrial capacity have all contributed to a slowing of inflation. Overall, consumer prices rose at a 3.1-percent annual rate for the first 6 months of the year, matching the rate for all of 1991. Excluding food and energy prices, which may produce a better barometer of underlying inflation pressure, consumer price inflation has been trending down since the fall of 1990. By July, this measure of inflation had fallen to 3.8 percent, compared with 4.4 percent during 1991.

Other indicators suggest little tendency for general price increases. Wages were up about 2 percent at an annual rate in the first half of the year, compared with 3.2 percent in 1991 and 3.6 percent during 1990. In the second quarter, unit labor costs were up only 0.7 percent from second-quarter 1991. Unit labor costs rose 3.8 percent in 1991, and 5.2 percent in 1990.

### *Interest Rates Even Lower*

Sluggish economic growth, slow money supply growth, and modest inflation prompted the Federal Reserve to lower its target for short-term interest rates to help shore up the economy. The Federal funds rate—the rate banks charge each other when lending funds overnight—fell to 3.25 percent in early July. In July 1990, when the latest recession began, the Federal funds rate was 8.2 percent.

Other interest rates fell in response. Three-month Treasury bill rates averaged about 3.3 percent in July, the lowest monthly average since February 1972. Long-term rates also fell in July—yields on 30-year Treasury bonds fell below 7.5 percent at the end of the month, and mortgage rates reached their lowest level in about 20 years. Despite the decline in long-term rates, they remain high relative to short-term rates. The relatively high long-term interest rates are cited as one reason for slow economic growth.

Several factors may be operating to keep long-term rates high relative to short-term rates. Germany is borrowing heavily to finance reunification, and its strong demand for credit has driven up interest rates around the world. In 1989 the German government was close to a balanced budget; in 1991, it ran a deficit of more than 2.5 percent of GDP. In the U.S., the large Federal deficit is maintaining pressure on long-term credit markets. Fears of reigniting inflation during recovery may also be keeping long-term rates from falling.

### *The Outlook—Modest Growth Continues*

The economy's second-quarter performance is raising the possibility that 1992 will mimic 1991. Early in that year, the economy appeared to recover, but then stalled in the second half.

Still, most analysts are calling for GDP growth to average between 2.5 and 3 percent during the second half of 1992, with

little change in inflation or interest rates. The Administration's midyear forecast calls for real GDP to rise 2 percent in 1992. But given current estimates of first-half performance, GDP growth must average slightly more than 3 percent in the last two quarters to meet those expectations. Growth in 1993 is projected to be about 3 percent.

With moderate growth, considerable unemployment, and excess industrial capacity, inflation should remain modest over the next 18 months. The Administration projection is similar to many private forecasts, calling for consumer prices to rise 3 percent in 1992 and 3.2 percent in 1993.

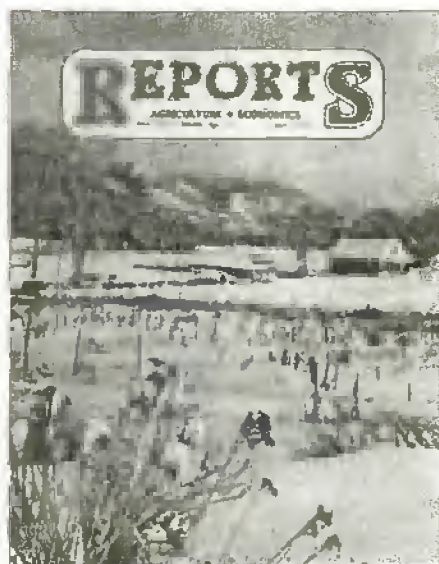
Short-term interest rates are likely to remain near current levels through the end of this year. And if inflation stays low, long-term rates could fall slightly. However, a faster-than-expected recovery in the second half of the year could put upward pressure on both short- and long-term rates.

Economic growth of major trading partners will remain an important factor in the U.S. growth and employment outlook. Private forecasters put German economic growth at 1.4 percent in 1992 and 2.2 percent in 1993, both well below the nearly 4-percent growth from 1988 through 1990. Growth in Japan is expected to be slightly above 2 percent in 1992, compared with more than 5 percent from 1987 through 1990.

The macroeconomic environment is likely to provide mixed results for the agricultural sector. Slow income growth in the U.S. and elsewhere suggests demand increases will remain modest over the next 18 months. On the bright side, however, low inflation, modest wage increases, and low interest rates will help keep a lid on expenses. [Jennifer L. Beattie and R. M. Monaco (202) 219-0782] **AO**

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## Special Article



## Building Blocks for Western Hemisphere Free Trade

**T**he Enterprise for the Americas Initiative (EAI) may ultimately lead to establishment of a hemisphere-wide free trade zone. Announced by President Bush on June 27, 1990, the EAI encourages political and economic reform in Latin America and the Caribbean by promoting free trade, entrepreneurship, and economic growth. In this installment, AO provides a profile of regional groupings in Central and South America, their initiatives for economic reform, and linkages with the U.S.

### Reviving Reform After The "Lost Decade"

The 1980's have been described as a lost decade of development for Latin America. During the 1980's, the countries of Latin America watched their attempts to industrialize in the 1960's and 1970's collapse in economic crisis. Latin Americans saw their living standards decline, as incomes fell and governments cut back on services and investment in their economies. According to the U.S. International Trade Commission, from 1980 to 1986 the number of people living in poverty in Latin America (including Mexico) increased 32 percent, to 164 million.

Today, many of these countries are moving toward new levels of economic and political reform that may help overcome problems underlying previous economic failures. A basic concept behind earlier attempts at development was the use of import substitution policies to promote economic growth and integrate regional markets. By contrast, current efforts are characterized by movement towards free trade and greater international interaction beyond regional markets. These new efforts are, in part, attempts to stabilize domestic economies after a decade of economic crisis.

### ALADI's Umbrella

The Latin American Integration Association (referred to by its Spanish acronym ALADI) is the umbrella organization under which trade liberalization is taking place in South America. With the Montevideo Treaty of 1980, ALADI replaced the Latin American Free Trade Association (LAFTA) formed in 1961. Unlike its predecessor, ALADI does not set a timetable for establishing a common market, though this is its ultimate goal.

Most ALADI members belong to one of two major subgroups of countries—the Andean Group and the Southern Cone Common Market—or Mercosur—countries. The Andean Group includes Venezuela, Colombia, Ecuador, Peru, and Bolivia. Among the Andean Group's objectives for agriculture are attaining a greater degree of food security, reducing dependence on imported foodstuffs, and increasing exports. Venezuela and Colombia are the most developed countries of the Andean Group, and are attempting to establish a free trade area with Mexico (the Group of 3) by 1994.

The Mercosur countries are Brazil, Argentina, Uruguay, and Paraguay. These four countries are working toward establishing a common market, and hope to create a free trade area between Brazil and Argentina by 1995, extending to Uruguay and Paraguay in 1996.

Chile is the only South American country included in ALADI that is not a member of either subgroup, though geographically it is a Southern Cone country. And except for Mexico, ALADI members are South American countries. All ALADI members except Ecuador and Paraguay are members of the GATT.

Under ALADI, bilateral, subregional, and extraregional trade agreements are encouraged, as well as unilateral tariff reductions. This reflects, to some degree, the change in the political and economic climates of ALADI members. However, ALADI does permit quotas and does not strictly bind members to the most-favored-nation principle. Favorable, nonreciprocal treatment of less developed members is extended by the more developed members (in particular, Argentina, Brazil, and Mexico). The least developed ALADI members (Bolivia, Ecuador, and Paraguay) receive most-favored-nation treatment from other ALADI members, with special consideration for landlocked Bolivia and Paraguay.

The pace of political and economic reform and stability differs among ALADI members. This unevenness—and the large number of countries—has contributed to the formation of subregional country groups within the ALADI framework, as well as the interest by individual ALADI members (such as Mexico and Chile) in negotiating bilateral free trade agreements with the U.S.

### ***Outside ALADI— CACM & Caricom***

The Central American and Caribbean region, made up of many relatively small nations with a combined population of about 60 million, has struggled through two decades of difficulties. Civil wars, followed by severe recession throughout the 1980's, left the region unable to sustain its industrial growth. Export markets shrank, imports became more expensive, and bills for foreign debt came due.

Most Latin American Countries Belong to a Regional Trade Subgroup



\*Central American Common Market.  
Panama was not a member of the original CACM, but is expected to join the revived organization.

The countries of Central America were hit harder by recession than other Latin American regions because of their more open economies and greater dependence on a few traditional exports. The economic crisis provided an incentive for Central American countries to expand their export markets.

A dual structure characterizes Central America's agriculture—with large farms oriented toward production for export, and a small-farm (campesino) sector producing food for domestic use. Much of the agricultural land in Central America is used to produce cattle for beef exports. U.S. agricultural imports from Central America in 1990 totaled \$1.3 billion, compared with \$459 million in exports to the region. Major U.S. agricultural imports from Central America include bananas, coffee, sugar, and beef.

Political and economic problems led to disintegration of the original Central American Common Market (CACM) in the late 1970's. After revival efforts began in 1991, CACM has begun liberalizing intraregional trade in certain agricultural products and plans to eliminate quotas on imports of rice, corn, sorghum, and soybeans from non-CACM countries.

The countries of Central America are also beginning to integrate with other Latin American countries. El Salvador recently signed a free trade agreement with Venezuela, which will allow El Salvador to ship some processed agricultural and textile products to Venezuela duty-free. Members of the CACM are also negotiating with Mexico to complete a free trade agreement by 1996, in part to avoid market share losses that might arise from Mexico's membership in the proposed North American Free Trade Agreement (NAFTA).

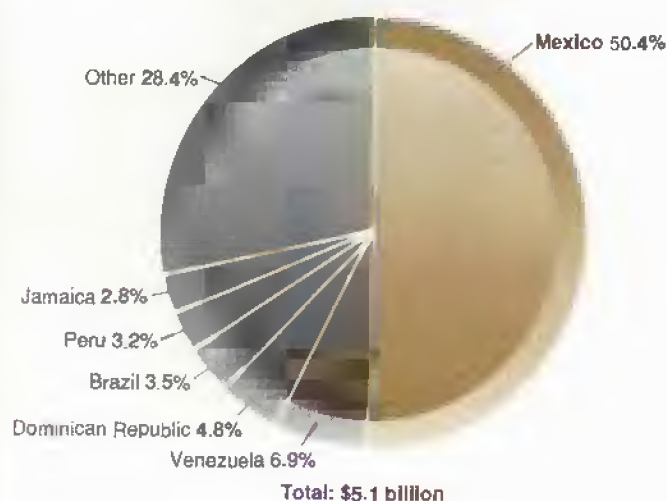
The members of the Caribbean Community and Common Market (Caricom), a regional grouping of the British Commonwealth of Nations, regard themselves as distinct from Latin America. The Caribbean Common Market is an integral part of the Caribbean Community, but the two are separate entities. Thus, the Bahamas became a member of the Community in 1983 without joining the Common Market.

In 1990, U.S. agricultural exports to the Caribbean Common Market totaled \$368 million, compared with only \$83 million in imports. The EC is an important trading partner for these Caribbean nations, linked through the Lomé Convention, which offers 68 countries (mostly former colonies of EC members in Africa, the Caribbean, and the Pacific) preferential access to the EC's import markets.

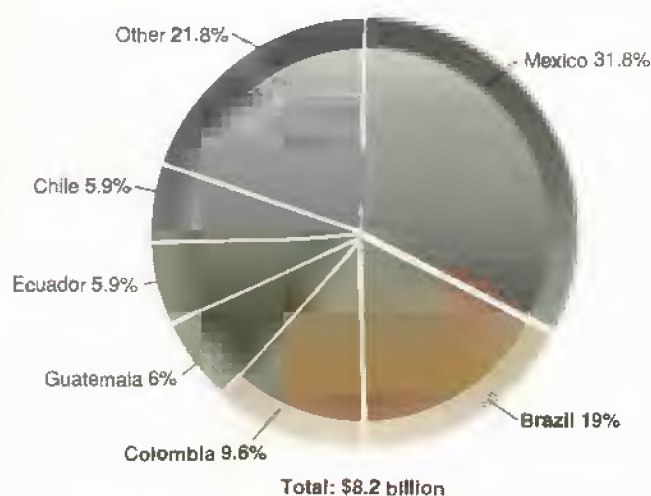
Until recently, Caricom resisted granting membership to Latin American neighbors. The Dominican Republic and Venezuela both sought membership in Caricom, and Costa Rica is currently seeking observer status. Some of Caricom's reluctance may have been due to concerns about compromising its preferential access to the EC, particularly for key commodities like bananas. Latin American countries are seeking the same access to the EC's banana market as their Caribbean neighbors.

## Special Article

### Mexico Is by Far the Largest Latin American Customer for U.S. Ag Exports . . .



### . . . But a Quarter of Latin America's Sales to the U.S. Comes from Brazil and Colombia



Data for 1990. Includes Caribbean countries.

However, the EAI is leading Caricom to reassess its position toward potential Latin American members. For example, the members of the Group of Three (G3)—Mexico, Venezuela, and Colombia—now have observer status in Caricom. And Venezuela is in the final stages of negotiating for full membership after allowing one-way free trade for Caricom exports. On July 22, 1991, the U.S. signed a Trade and Investment Framework Agreement with Caricom pursuant to the EAI.

## Agriculture & Environment— Key Areas for Economic Progress

Agriculture and environmental quality are important issues among Western Hemisphere countries as economic integration progresses. Agriculture comprises about 12 percent of the total

output of Latin America, and agricultural and other primary commodities are the principal exports from Latin America to the U.S. (Manufactured goods, on the other hand, are the principal U.S. exports to Latin America.)

Agriculture and processed food accounted for 20 percent of the value of Latin American exports to the U.S. in 1990, led by coffee and bananas. Roughly half of U.S. agricultural imports from South America came from the Mercosur countries—Brazil, Argentina, Uruguay, and Paraguay. Brazil exported the most to the U.S.—78 percent of the \$2 billion in U.S. agricultural imports from Mercosur countries. In contrast, the U.S. exported only \$215 million in agricultural products to the Mercosur countries, 82 percent of which went to Brazil. Altogether, the U.S. exported approximately \$1 billion of agricultural products to South America; over a third went to Venezuela.

Latin America, in large part due to geography, enjoys a clear advantage in the production of the tropical agricultural products it typically exports to the U.S., and thus these exports complement U.S. production. On the other hand, some U.S. exports to Latin America, such as cereal grains, compete with Latin American production. Several countries maintain substantial levels of import protection for these commodities, making subsidies on U.S. grain exports and Latin American barriers to grain imports likely issues in future U.S.-Latin America trade negotiations.

The environmental goals of the EAI are likely to be another issue in extending free trade agreements to South American countries. Some Latin American countries have expressed concern about the possibility of industrialized countries interfering in the sovereign use of their natural resources. They have stated that environmental concerns should not become an obstacle to industrial growth in the region.

The possibility of expanding trade laws to consider “unfair environmental competition” as unfair trade practices has raised concerns among developing countries. Many developing countries lack the capital resources for protecting the environment and, in some cases, must exploit the environment to a greater degree than developed countries to meet basic and immediate human needs. These countries are critical of efforts by developed countries to impose higher environmental standards on the basis that lower standards constitute an unfair competitive advantage.

The EAI offers the possibility of better integrating economic growth and environmental objectives, encouraging the flow of investment capital to developing countries that, among other things, could be used to help protect the environment. The initiative would make it possible, under certain conditions, for interest payments on the official debt of these countries to be diverted into local environmental projects.

Sanitary and phytosanitary (S&P) conditions in South America also present limits on the access of South American countries to North American markets. Pests and diseases in South America (such as foot-and-mouth disease and the Mediterranean fruit fly) restrict or limit trade in raw agricultural products with the U.S. Investments in infrastructure stimulated under the EAI

can help address such issues. Investment in wastewater management, for example, could help eliminate conditions that have contributed to the spread of cholera from Peru through Central America and affected seafood exports to the U.S.

### *Progress Thus Far*

ALADI is pursuing a plurilateral approach to Latin American integration, by providing a flexible framework within which subregional integration may take place. Subregional trade agreements must be designed for eventual convergence into an overall ALADI common market.

Subregional trade preferences are obtained with the ALADI framework by negotiating "partial-scope agreements." These partial-scope agreements must contain accession clauses that permit other ALADI members to join subregional groups. ALADI has expressed a commitment to establishing links with other trade integration areas, such as NAFTA, the CACM, and Caricom.

The advantage of ALADI's approach—using accession clauses—streamlines the extremely complex process of developing a hemispheric free trade agreement. A disadvantage is that certain obligations or provisions of a standing agreement may be inappropriate for a particular prospective signatory. This disadvantage might be overcome with a plurilateral core agreement applicable to all signatories, supplemented with bilateral side agreements.

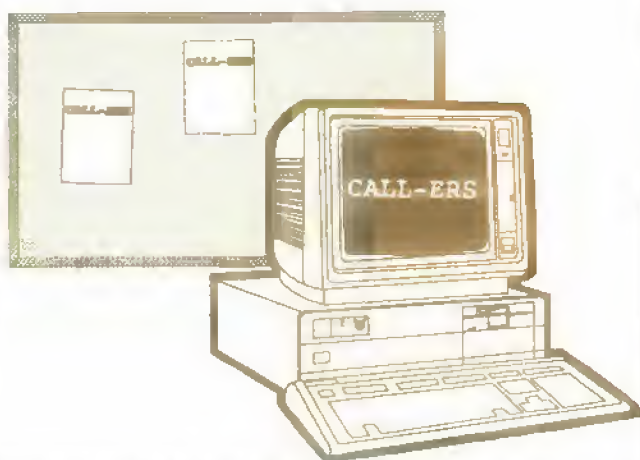
The 1980 Montevideo Treaty, for example, provides guidelines for Latin American countries negotiating partial-scope agricultural agreements. These agreements allow special treatment of agriculture that reflects a country's socioeconomic characteristics of production, or may deal with specific products or groups of products allowing for seasonal variations. Under these guidelines, a Mexico-Chile free trade agreement was signed on September 22, 1991, that excluded wheat, edible oils, and sugar. These and other developments represent steps toward the long-term goal of a Western Hemisphere free trade area as envisioned in the EAI. [Ken Forsythe (202) 219-0689 and Liana Neff (202) 219-0610] **AO**

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# Statistical Indicators

## Summary Data

Table 1.—Key Statistical Indicators of the Food & Fiber Sector

	1991				1992			1993	
	IV	Annual	I	II	III F	IV F	Annual F	I F	Annual F
Prices received by farmers (1977=100)	139	146	141	141	—	—	—	—	—
Livestock & products	155	162	154	156	—	—	—	—	—
Crops	123	130	127	124	—	—	—	—	—
Prices paid by farmers, (1977=100)									
Production items	172	173	171	174	—	—	—	—	—
Commodities & services, interest, taxes, & wages	189	189	189	191	—	—	—	—	—
Cash receipts (\$ bil.) 1/	167	167	163	—	—	—	—	—	—
Livestock (\$ bil.)	89	86	84	—	—	—	—	—	—
Crops (\$ bil.)	85	82	79	—	—	—	—	—	—
Market basket (1982-84=100)									
Retail cost	137	137	138	138	—	—	—	—	—
Farm value	101	106	102	103	—	—	—	—	—
Spread	155	154	158	157	—	—	—	—	—
Farm value/retail cost (%)	26	27	26	26	—	—	—	—	—
Retail prices (1982-84=100)									
Food	137	137	138	138	138	138	138	—	—
At home	136	136	137	137	136	137	137	—	—
Away from home	141	138	140	140	141	142	141	—	—
Agricultural exports (\$ bil.) 2/	11.3	37.5	11.3	9.5	8.9	11.3	41.0	—	—
Agricultural imports (\$ bil.) 2/	5.8	22.6	6.1	5.7	5.4	5.8	23.0	—	—
Commercial production									
Red meat (mil. lb.)	10,316	39,402	10,086	9,915	10,350	10,490	40,841	10,025	41,198
Poultry (mil. lb.)	6,338	24,885	6,308	6,618	6,600	6,565	26,091	6,515	27,000
Eggs (mil. doz.)	1,475	5,758	1,458	1,451	1,460	1,485	5,854	1,455	5,850
Milk (bil. lb.)	36.2	148.5	38	39	36.9	36.8	150.6	38.2	151.9
Consumption, per capita									
Red meat and poultry (lb.)	53.4	203.9	51.0	51.8	52.8	54.5	210.1	51.5	212.6
Corn beginning stocks (mil. bu.) 3/	2,992.0	—	1,521.2	6,541.1	4,561.0	2,738.6	—	1,096.0	—
Corn use (mil. bu.) 3/	1,472.2	7,760.7	2,461.1	1,984.5	1,827.8	1,846.6	7,920.0	—	8,065.0
Prices 4/									
Choice steers—Neb. Direct (\$/cwt)	69.95	74.28	75.77	75.94	70-74	71-77	74-78	72-78	72-78
Barrows & gilts—(A, So. MN) (\$/cwt)	40.80	49.69	39.55	45.65	41-45	37-43	41-43	37-43	40-48
Broilers—12-city (cts./lb.)	50.5	52.0	50.2	52.3	42-56	45-51	50-52	48-54	49-55
Eggs—NY gr. A large (cts./doz.)	76.8	77.5	63.8	62.0	58-62	67-73	63-65	63-69	69-75
Milk—all at plant (\$/cwt)	13.70	12.22	12.87	12.87	13.20-13.80	13.80-14.80	13.20-13.60	13.10-14.10	12.00-13.00
Wheat—KC HRW ordinary (\$/bu.)	3.82	3.18	4.50	3.94	—	—	—	—	—
Corn—Chicago (\$/bu.)	2.49	2.47	2.66	2.59	—	—	—	—	—
Soybeans—Chicago (\$/bu.)	5.66	5.69	5.75	5.93	—	—	—	—	—
Cotton—Avg. spot 41-34 (cts./lb.)	55.6	69.7	51.4	56.4	—	—	—	—	—
	1984	1985	1986	1987	1988	1989	1990	1991	1992 F
Gross cash income (\$ bil.)	156.1	157.9	152.8	165.1	171.9	179.9	185.0	183	179-185
Gross cash expenses (\$ bil.)	118.7	110.7	105.0	109.8	114.5	120.5	124.2	125	125-130
Net cash income (\$ bil.)	37.4	47.1	47.8	55.3	57.4	59.4	61.8	58	51-58
Net farm income (\$ bil.)	26.1	28.8	31.0	39.7	40.6	50.1	50.8	42	37-45
Farm real estate values 5/									
Nominal (\$ per acre)	801	713	640	599	632	661	668	681	685
Real (1982 \$)	769	857	568	518	530	533	517	506	491

1/ Quarterly data seasonally adjusted at annual rates. 2/ Annual data based on Oct.-Sept. fiscal years ending with year indicated. 3/ Sept.-Nov. first quarter; Dec.-Feb. second quarter; Mar.-May third quarter; Jun.-Aug. fourth quarter, Sept.-Aug. annual. Use includes exports & domestic disappearance. 4/ Simple averages, Jan.-Dec. 5/ 1990-92 values as of January 1. 1986-89 values as of February 1. 1984-85 values as of April 1. F = forecast, — = not available.

## U.S. &amp; Foreign Economic Data

Table 2.—U.S. Gross Domestic Product &amp; Related Data

	Annual			1991			1992	
	1989 R	1990 R	1991 R	II R	III R	IV R	I R	II P
\$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	5,250.8	5,522.2	5,677.5	5,657.6	5,713.1	5,753.3	5,840.2	5,893.6
Gross national product	5,266.8	5,542.9	5,694.9	5,674.3	5,726.4	5,764.1	5,859.8	—
Personal consumption expenditures	3,523.1	3,748.4	3,887.7	3,871.9	3,914.2	3,942.9	4,022.8	4,053.8
Durable goods	459.4	464.3	448.1	441.4	453.0	450.4	469.4	469.7
Nondurable goods	1,149.5	1,224.5	1,251.5	1,254.2	1,255.3	1,251.4	1,274.1	1,277.2
Clothing & shoes	200.4	206.9	209.0	210.8	212.0	209.8	216.5	217.1
Food & beverages	565.1	601.4	617.7	619.2	617.9	620.0	627.9	623.3
Services	1,014.2	2,059.7	2,190.1	2,178.3	2,205.9	2,241.1	2,279.3	2,306.9
Gross private domestic investment	832.3	799.5	721.1	710.2	732.8	736.1	722.4	759.8
Fixed investment	798.9	793.2	731.3	732.0	732.6	728.9	738.2	759.1
Change in business inventories	33.3	6.3	-10.2	-21.6	0.2	9.2	-15.8	0.7
Net exports of goods & services	-79.7	-68.9	-21.8	-15.3	-27.1	-16.0	-8.1	-29.4
Government purchases of goods & services	975.2	1,043.2	1,090.5	1,090.8	1,093.3	1,090.3	1,103.1	1,109.4
1987 \$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	4,838.0	4,877.5	4,821.0	4,817.1	4,831.8	4,838.5	4,873.7	4,890.5
Gross national product	4,852.7	4,895.9	4,836.4	4,831.6	4,843.7	4,848.2	4,890.7	—
Personal consumption expenditures	3,223.3	3,260.4	3,240.8	3,239.3	3,251.2	3,249.0	3,289.3	3,286.6
Durable goods	440.7	439.3	414.7	411.3	419.4	418.1	432.3	429.3
Nondurable goods	1,051.8	1,058.5	1,042.4	1,048.3	1,044.8	1,035.6	1,049.6	1,045.4
Clothing & shoes	187.8	185.9	181.3	183.2	183.7	177.5	184.1	184.2
Food & beverages	515.0	520.8	515.9	516.3	515.0	515.3	518.9	513.8
Services	1,731.0	1,764.6	1,783.7	1,781.6	1,787.0	1,787.4	1,807.3	1,812.0
Gross private domestic investment	784.0	739.1	661.1	649.5	672.0	676.9	668.9	702.2
Fixed investment	754.2	732.6	670.4	669.8	671.4	669.3	681.4	701.2
Change in business inventories	29.8	6.2	-9.3	-20.4	0.6	7.5	-12.6	1.0
Net exports of goods & services	-73.7	-51.8	-21.8	-17.4	-31.6	-20.5	-21.5	-35.9
Government purchases of goods & services	904.4	929.9	941.0	945.6	940.2	933.1	937.0	937.6
GDP implicit price deflator (% change)	4.4	4.3	4.1	3.5	2.4	2.4	3.1	2.4
Disposable personal income (\$ bil.)	3,787.0	4,042.9	4,209.6	4,189.7	4,227.6	4,284.9	4,360.9	4,408.1
Disposable per. income (1987 \$ bil.)	3,484.9	3,518.5	3,509.0	3,505.2	3,511.5	3,530.8	3,565.7	3,572.3
Per capita disposable per. income (\$)	15,307	16,174	16,658	16,604	16,708	16,885	17,143	17,275
Per capita dis. per. income (1987 \$)	14,005	14,088	13,886	13,891	13,876	13,913	14,017	14,006
U.S. population, total, incl. military abroad (mil.) *	247.3	249.9	252.7	252.2	252.9	253.7	254.3	254.9
Civilian population (mil.) *	245.1	247.8	250.6	250.1	250.8	251.6	252.3	253.0
	Annual			1991			1992	
	1989	1990	1991	June	Mar	Apr	May	June
Monthly data seasonally adjusted								
Industrial production (1987=100)	108.1	109.2	107.1	107.3	107.6	108.1	108.6	108.2
Leading economic indicators (1982=100)	144.9	144.0	143.6	143.9	148.5	149.0	149.9	149.6
Civilian employment (mil. persons)	117.3	117.9	116.9	116.9	117.3	117.7	117.7	117.6
Civilian unemployment rate (%)	5.2	5.4	6.6	6.8	7.2	7.1	7.4	7.7
Personal income (\$ bil. annual rate)	4,380.3	4,664.2	4,828.3	4,828.1	5,009.6	5,012.4	5,026.3	5,024.4
Money stock—M2 (daily avg.) (\$ bil.) 1/	3,227.3	3,339.0	3,438.9	3,411.8	3,473.9	3,468.1	3,489.5	3,458.7
Three-month Treasury bill rate (%)	8.12	7.51	5.42	5.60	4.05	3.81	3.66	3.70
AAA corporate bond yield (Moody's) (%)	9.26	9.32	8.77	9.01	8.35	8.33	8.28	8.22
Housing starts (1,000) 2/	1,376	1,193	1,014	1,036	1,340	1,086	1,205	1,167
Auto sales at retail, total (mil.)	9.9	9.5	8.4	8.8	8.3	8.2	8.4	8.9
Business inventory/sales ratio	1.51	1.51	1.52	1.53	1.51	1.51	1.52	—
Sales of all retail stores (\$ bil.)	145.1	150.6	151.8	154.6	157.9	158.4	159.0 P	159.8
Nondurable goods stores (\$ bil.)	90.8	96.0	98.0	99.7	100.8	100.9	101.1 P	101.5
Food stores (\$ bil.)	28.8	30.2	30.9	32.1	31.8	32.1	31.9 P	31.9
Eating & drinking places (\$ bil.)	14.5	15.2	15.8	16.3	16.7	16.4	16.4 P	16.3
Apparel & accessory stores (\$ bil.)	7.6	7.9	8.0	8.0	8.1	8.2	8.3 P	8.5

1/ Annual data as of December of the year listed. 2/ Private, including farm. R = revised. P = preliminary. — = not available.

\* Population estimates based on 1990 census.

Information contact: Ann Duncan (202) 219-0313.

Table 3.—Foreign Economic Growth, Inflation, &amp; Exports

	1983	1984	1985	1986	1987	1988	1989	1990	1991 E	1992 F	1993 F	Average 1981-90
	Annual percent change											
World, less U.S. <sup>1</sup>												
Real GDP	2.4	3.4	3.0	3.1	3.1	3.9	3.2	2.1	-0.8	0.3	2.8	2.7
GDP deflator	7.8	7.1	7.4	7.2	8.7	11.5	12.0	42.0	24.8	52.3	42.5	12.1
Real exports	2.2	8.6	2.5	3.4	6.9	7.7	7.0	4.6	-0.4	2.5	4.9	4.7
Developed less U.S.												
Real GDP	2.1	3.4	3.4	2.8	3.3	4.4	3.6	3.3	1.6	1.2	2.4	2.9
GDP deflator	6.2	4.9	3.8	3.9	2.8	3.6	4.7	3.5	4.4	4.0	3.4	5.0
Real exports	2.7	10.6	5.4	-0.1	4.1	7.3	9.7	7.9	4.1	2.4	5.1	5.7
Eastern Europe & C.I.S.												
Real GDP	2.7	2.0	0.7	3.5	1.2	1.7	1.0	-3.9	-16.2	-12.2	0.4	1.2
GDP deflator 1/	3.1	3.0	4.2	5.7	8.2	22.4	26.6	167.6	72.8	132.3	68.5	27.4
Real exports	2.8	3.7	-6.8	11.6	6.3	7.4	-5.9	-10.1	-32.1	-3.7	0.2	1.0
Developing												
Real GDP	2.9	4.7	4.2	3.9	4.2	4.4	3.6	3.2	3.2	5.2	5.2	3.5
GDP deflator	38.7	37.3	36.4	25.5	33.1	28.4	19.1	18.7	14.9	11.6	13.5	28.9
Real exports	0.4	7.1	1.7	7.4	10.9	9.3	8.8	5.4	5.5	6.1	6.9	4.9
Asia												
Real GDP	6.4	7.5	6.4	7.0	7.8	9.0	5.3	5.6	5.8	5.5	5.7	6.8
GDP deflator	6.3	7.5	5.9	4.4	7.8	8.2	6.1	9.2	6.5	7.5	7.5	6.7
Real exports	6.4	11.3	2.9	16.9	15.6	14.9	8.2	7.2	8.8	7.5	8.3	9.2
Latin America												
Real GDP	-2.7	3.7	3.6	4.4	3.0	0.0	1.3	-0.1	2.8	2.7	4.2	1.2
GDP deflator 1/	30.0	41.2	69.4	63.3	126.2	66.5	35.9	29.7	24.5	16.9	18.8	49.9
Real exports	2.0	12.0	2.0	0.0	8.0	6.8	10.4	3.8	2.5	9.1	9.7	5.2
Africa												
Real GDP	0.7	2.1	2.4	1.8	0.3	2.4	3.1	1.4	1.8	2.9	3.1	1.7
GDP deflator	16.4	12.1	12.2	8.0	25.1	17.1	19.4	15.1	20.1	14.5	12.4	14.3
Real exports	-5.3	-1.5	3.5	-1.0	0.0	2.9	5.0	7.5	4.7	1.9	1.6	-2.0
Middle East												
Real GDP	3.2	2.3	1.7	-3.1	0.4	1.1	3.2	3.4	-3.7	11.4	7.5	1.1
GDP deflator	-3.9	1.3	3.1	5.7	14.6	9.6	12.8	19.2	0.9	9.3	12.6	7.8
Real exports	-19.6	-6.7	-7.1	-3.8	24.6	4.8	21.0	4.7	4.4	9.3	33.7	0.0

1/ Excludes Yugoslavia, Argentina, Brazil, & Peru starting in 1989. E = estimate. F = forecast.

Information contact: Alberto Jerardo, (202) 219-0717.

## Farm Prices

Table 4.—Indexes of Prices Received &amp; Paid by Farmers, U.S. Average

	Annual			1991	1992						
	1989	1990	1991	July	Feb	Mar	Apr	May	June R	July P	
	1977 = 100										
Prices received											
All farm products	147	148	146	148	142	143	141	141	140	137	
All crops	134	127	130	135	128	131	128	123	122	118	
Food grains	156	123	115	108	164	152	148	148	139	131	
Feed grains & hay	128	123	118	113	123	123	124	124	124	118	
Feed grains	123	118	115	111	123	123	123	124	122	115	
Cotton	98	107	108	110	82	82	88	86	84	93	
Tobacco	149	152	181	146	157	175	145	145	145	145	
Oil-bearing crops	102	94	91	91	85	84	84	86	87	82	
Fruit, all	194	188	268	348	210	204	211	203	194	152	
Fresh market 1/	205	197	299	387	221	214	223	213	198	149	
Commercial vegetables	145	142	136	122	166	195	148	123	120	128	
Fresh market	144	144	132	122	179	222	181	118	113	125	
Potatoes & dry beans	188	189	140	182	99	108	134	111	119	168	
Livestock & products	180	170	161	162	156	155	155	157	157	158	
Meat animals	174	183	188	188	177	177	178	178	177	176	
Dairy products	140	141	128	122	133	129	129	133	136	138	
Poultry & eggs	137	131	123	125	111	111	111	113	114	117	
Prices paid											
Commodities & services,											
Interest, taxes, & wage rates	178	184	189	189	--	--	191	--	--	192	
Production items	165	171	173	173	--	--	174	--	--	174	
Feed	136	128	123	120	--	--	128	--	--	123	
Feeder livestock	194	213	214	214	--	--	199	--	--	204	
Seed	165	165	163	163	--	--	162	--	--	162	
Fertilizer	137	131	134	136	--	--	132	--	--	132	
Agricultural chemicals	132	139	151	154	--	--	160	--	--	160	
Fuels & energy	180	204	203	196	--	--	194	--	--	206	
Farm & motor supplies	151	154	154	157	--	--	160	--	--	160	
Autos & trucks	223	231	244	248	--	--	261	--	--	262	
Tractors & self-propelled machinery	193	202	211	210	--	--	217	--	--	217	
Other machinery	208	216	226	227	--	--	234	--	--	234	
Building & fencing	141	143	146	148	--	--	151	--	--	150	
Farm services & cash rent	161	168	170	170	--	--	171	--	--	171	
Int. payable per acre on farm real estate debt	176	174	172	172	--	--	166	--	--	166	
Taxes payable per acre on farm real estate	151	156	160	160	--	--	165	--	--	165	
Wage rates (seasonally adjusted)	185	191	201	203	--	--	212	--	--	212	
Production items, interest, taxes, & wage rates	167	172	175	174	--	--	175	--	--	176	
Ratio, prices received to prices paid (%) 2/	83	81	77	78	76	76	74	74	73	71	
Prices received (1910-14=100)	873	881	666	678	649	653	644	643	640	628	
Prices paid, etc. (parity index) (1910-14=100)	1,221	1,285	1,299	1,298	--	--	1,314	--	--	1,321	
Parity ratio (1910-14=100) (%) 2/	55	54	51	52	--	--	49	--	--	48	

1/ Fresh market for noncitrus; fresh market & processing for citrus. 2/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wage rates. Ratio uses the most recent prices paid index. Prices paid data are quarterly & will be published in January, April, July, & October. R = revised. P = preliminary. -- = not available.

Information contact: Ann Duncan (202) 219-0313.

Table 5.—Prices Received by Farmers, U.S. Average

	Annual 1/			1992						
	1989	1990	1991	July	Feb	Mar	Apr	May	June R	July P
<b>CROPS</b>										
All wheat (\$/bu.)	3.72	2.61	3.05	2.50	3.78	3.72	3.65	3.66	3.42	3.20
Rice, rough (\$/cwt)	7.35	6.70	7.70	7.18	7.91	7.72	7.39	7.11	6.93	6.89
Corn (\$/bu.)	2.36	2.28	2.40	2.27	2.47	2.49	2.48	2.48	2.47	2.28
Sorghum (\$/cwt)	3.75	3.79	4.15	3.95	4.20	4.30	4.29	4.31	4.22	4.15
All hay, baled (\$/ton)	85.40	80.60	71.00	70.20	70.60	70.10	73.00	74.20	75.50	71.80
Soybeans (\$/bu.)	5.69	5.74	5.60	5.36	5.59	5.67	5.68	5.87	5.94	5.55
Cotton, upland (cts./lb.)	63.6	67.1	—	66.3	49.6	49.9	52.0	52.2	56.9	56.0
Potatoes (\$/cwt)	7.36	6.08	5.05	7.62	3.92	4.33	5.56	4.42	4.88	7.30
Lettuce (\$/cwt) 2/	12.60	11.50	11.40	8.70	8.82	12.10	9.75	11.30	9.81	9.70
Tomatoes fresh (\$/cwt) 2/	33.20	27.40	31.90	30.50	78.00	80.70	32.40	16.70	24.20	26.40
Onions (\$/cwt)	11.40	10.50	12.50	17.70	12.90	21.10	23.30	12.50	9.73	12.30
Dry edible beans (\$/cwt)	28.50	18.50	15.60	21.40	14.90	15.60	16.40	16.70	15.40	16.20
Apples for fresh use (cts./lb.)	13.9	20.9	25.1	24.6	24.9	24.2	24.3	25.0	25.7	27.1
Pears for fresh use (\$/ton)	336.00	360.00	385.00	300.00	347.00	364.00	379.00	437.00	—	390.00
Oranges, all uses (\$/box) 3/	7.08	6.16	7.35	17.94	8.90	6.04	6.59	6.73	5.14	2.32
Grapefruit, all uses (\$/box) 3/	4.41	5.86	5.26	4.61	5.68	7.11	7.65	3.98	4.02	2.87
<b>LIVESTOCK</b>										
Beef cattle (\$/cwt)	69.70	74.80	72.90	71.60	72.50	72.90	72.60	71.90	70.20	71.00
Calves (\$/cwt)	91.80	96.50	100.00	103.00	92.80	94.10	92.00	89.80	88.40	89.70
Hogs (\$/cwt)	43.20	54.00	48.80	54.20	39.80	38.90	40.70	44.80	46.40	43.10
Lambs (\$/cwt)	67.30	56.00	52.60	57.70	55.20	63.40	69.30	68.80	67.00	62.40
All milk, sold to plants (\$/cwt)	13.56	13.74	12.26	11.80	12.90	12.50	12.50	12.90	13.20	13.40
Milk, manuf. grade (\$/cwt)	12.38	12.34	11.05	10.80	11.30	11.10	11.50	11.90	12.20	12.40
Broilers (cts./lb.)	36.1	32.4	31.0	32.3	29.9	29.7	29.4	31.7	31.6	33.8
Eggs (cts./doz.) 4/	70.0	70.4	66.9	64.5	54.3	54.2	54.5	51.7	53.0	52.3
Turkeys (cts./lb.)	40.0	38.4	38.5	39.1	35.3	37.0	36.8	37.6	37.4	38.2
Wool (cts./lb.) 5/	124.0	80.0	55.0	57.0	47.9	62.7	75.4	90.3	87.1	74.1

1/ Season average price by crop year for crops. Calendar year average of monthly prices for livestock. 2/ Excludes Hawaii. 3/ Equivalent on-tree returns.  
 4/ Average of all eggs sold by producers including hatching eggs & eggs sold at retail. 5/ Average local market price, excluding incentive payments.  
 P = preliminary. R = revised. — = not available.

Information contact: Ann Duncan (202) 219-0313.

## Producer & Consumer Prices

Table 6.—Consumer Price Index for All Urban Consumers, U.S. Average (Not Seasonally Adjusted)

	Annual	1991		1992						
	1991	July	Dec	Jan	Feb	Mar	Apr	May	June	July
				1982-84=100						
Consumer Price Index, all items	136.2	136.2	137.9	138.1	138.6	139.3	139.5	139.7	140.2	140.5
Consumer Price Index, less food	136.1	136.1	138.1	138.3	138.8	139.5	139.7	140.1	140.7	141.1
<b>All food</b>	<b>136.3</b>	<b>136.5</b>	<b>136.7</b>	<b>137.2</b>	<b>137.5</b>	<b>138.1</b>	<b>138.1</b>	<b>137.4</b>	<b>137.4</b>	<b>137.2</b>
Food away from home	137.9	138.4	139.6	139.7	139.9	140.1	140.2	140.4	140.7	140.8
Food at home	135.8	136.0	135.5	136.4	136.6	137.5	137.4	136.2	136.1	135.7
Meats 1/	132.5	133.1	130.8	130.0	130.3	131.1	130.2	130.3	131.0	130.0
Beef & veal	132.4	132.6	131.7	131.2	131.8	133.4	133.2	132.6	132.7	130.7
Pork	134.1	136.7	128.5	127.8	127.2	127.0	125.1	126.8	127.9	129.1
Poultry	131.5	132.5	130.2	131.2	128.1	128.2	129.2	129.1	130.7	132.1
Fish	148.3	146.1	150.4	154.8	151.0	152.6	153.5	151.6	149.1	150.4
Eggs	121.2	113.9	123.5	113.9	110.7	106.0	105.1	104.2	100.7	104.7
Dairy products 2/	125.1	124.0	127.4	128.2	128.1	127.8	127.4	127.0	127.8	128.3
Fats & oils 3/	131.7	131.6	129.3	130.7	131.3	129.8	129.6	130.4	130.2	129.9
Fresh fruit	193.9	198.8	188.6	186.6	183.1	188.7	187.4	190.0	182.9	173.3
Processed fruit	131.8	130.6	131.5	136.0	138.5	138.8	140.0	140.0	138.3	138.4
Fresh vegetables	154.4	157.7	150.7	152.7	163.5	172.7	175.4	149.8	148.9	148.1
Potatoes	144.6	164.3	129.0	130.6	131.7	132.1	135.6	136.7	141.0	155.9
Processed vegetables	126.5	129.3	127.6	129.2	129.0	128.6	128.6	128.8	129.0	129.2
Cereals & bakery products	145.8	145.6	147.4	148.9	149.3	149.7	150.6	150.7	151.6	152.4
Sugar & sweets	129.3	129.9	130.9	132.0	132.4	132.9	133.0	132.9	133.3	133.8
<b>Beverages, nonalcoholic</b>	<b>114.1</b>	<b>113.1</b>	<b>112.5</b>	<b>114.9</b>	<b>116.0</b>	<b>115.3</b>	<b>114.4</b>	<b>114.5</b>	<b>115.0</b>	<b>113.9</b>
<b>Apparel</b>										
Apparel, commodities less footwear	127.4	123.2	128.2	126.0	128.7	132.3	132.0	131.8	129.0	126.8
Footwear	120.9	119.3	121.8	121.3	122.4	124.8	125.6	126.0	125.4	124.4
Tobacco & smoking products	202.7	203.7	211.7	212.6	213.4	213.5	214.9	220.0	219.2	220.5
<b>Beverages, alcoholic</b>	<b>142.6</b>	<b>143.4</b>	<b>143.9</b>	<b>144.8</b>	<b>145.7</b>	<b>146.7</b>	<b>147.2</b>	<b>147.4</b>	<b>147.5</b>	<b>147.7</b>

1/ Beef, veal, lamb, pork, & processed meat. 2/ Includes butter. 3/ Excludes butter.

Information contact: Ann Duncan (202) 219-0313.

1/ Commodities ready for sale to ultimate consumer. 2/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). 3/ New index beginning Dec. 1991. 4/ Commodities requiring further processing to become finished goods. 5/ All types & sizes of refined sugar. 6/ Products entering market for the first time that have not been manufactured at that point. 7/ Fresh & dried. P = preliminary. R = revised.

## Farm-Retail Price Spreads

Table 8.—Farm-Retail Price Spreads

	Annual			1992						
	1989	1990	1991	June	Jan	Feb	Mar	Apr	May	June
<b>Market basket 1/</b>										
Retail cost (1982-84=100)	124.6	133.5	137.4	139.2	137.8	138.0	138.9	139.0	137.8	137.5
Farm value (1982-84=100)	107.1	113.1	108.1	109.6	100.4	102.0	104.2	104.0	102.4	102.4
Farm-retail spread (1982-84=100)	134.1	144.5	154.2	155.1	157.9	157.3	157.5	157.7	158.8	158.5
Farm value-retail cost (%)	30.1	29.7	27.0	27.6	25.5	25.9	26.3	26.2	26.0	26.1
<b>Meat products</b>										
Retail cost (1982-84=100)	116.7	128.5	132.5	133.5	130.0	130.3	131.1	130.2	130.3	131.0
Farm value (1982-84=100)	103.8	116.8	110.0	115.3	97.0	101.3	104.7	105.7	107.5	107.8
Farm-retail spread (1982-84=100)	130.2	140.4	155.6	152.2	163.6	160.0	158.1	155.3	153.7	154.8
Farm value-retail cost (%)	44.9	46.0	42.0	43.7	37.8	39.4	40.5	41.1	41.8	41.7
<b>Dairy products</b>										
Retail cost (1982-84=100)	115.6	126.5	125.1	123.9	128.2	128.1	127.8	127.4	127.0	127.8
Farm value (1982-84=100)	99.1	101.7	90.0	85.8	98.7	95.4	93.0	91.5	93.9	95.0
Farm-retail spread (1982-84=100)	130.8	149.5	157.5	159.0	155.4	158.2	159.9	160.5	157.5	158.0
Farm value-retail cost (%)	41.1	38.5	34.5	33.2	36.6	35.7	34.9	34.5	35.5	35.7
<b>Poultry</b>										
Retail cost (1982-84=100)	132.7	132.5	131.5	131.5	131.2	128.1	128.2	129.2	129.1	130.7
Farm value (1982-84=100)	117.1	107.6	102.5	104.3	99.4	98.1	98.4	97.5	104.1	103.7
Farm-retail spread (1982-84=100)	150.6	161.1	164.9	162.8	167.8	182.6	162.5	165.7	157.9	161.7
Farm value-retail cost (%)	47.2	43.5	41.7	42.5	40.5	41.0	41.1	40.4	43.2	42.5
<b>Eggs</b>										
Retail cost (1982-84=100)	118.5	124.1	121.2	110.2	113.9	110.7	106.0	105.1	104.2	100.7
Farm value (1982-84=100)	107.5	108.0	100.9	85.2	83.5	74.4	72.9	73.7	67.0	69.9
Farm-retail spread (1982-84=100)	138.1	153.2	157.6	155.0	168.5	175.8	165.5	161.5	171.0	156.0
Farm value-retail cost (%)	58.3	55.9	53.5	49.7	47.1	43.2	44.2	45.1	41.3	44.6
<b>Cereal &amp; bakery products</b>										
Retail cost (1982-84=100)	132.4	140.0	145.8	145.7	148.9	149.3	149.7	150.6	150.7	151.6
Farm value (1982-84=100)	101.7	90.5	85.3	82.8	97.6	104.2	99.8	99.0	99.6	96.0
Farm-retail spread (1982-84=100)	136.7	148.9	154.3	154.5	156.1	155.6	156.7	157.8	157.8	159.4
Farm value-retail cost (%)	9.4	7.9	7.2	7.0	8.0	8.5	8.2	8.0	8.1	7.8
<b>Fresh fruits</b>										
Retail cost (1982-84=100)	154.7	174.6	200.1	209.7	196.7	188.6	191.5	192.0	197.2	188.0
Farm value (1982-84=100)	108.5	128.3	174.4	201.9	132.8	125.2	117.2	114.5	116.3	120.9
Farm-retail spread (1982-84=100)	176.0	195.9	211.9	213.3	226.2	214.9	225.8	227.8	234.6	219.0
Farm value-retail cost (%)	22.2	23.2	27.5	30.4	21.3	21.2	19.3	18.8	18.6	20.3
<b>Fresh vegetables</b>										
Retail cost (1982-84=100)	143.1	151.1	154.4	180.5	152.7	163.5	172.7	175.4	149.6	146.9
Farm value (1982-84=100)	123.3	124.4	110.8	139.9	103.8	123.0	155.8	156.7	194.7	87.0
Farm-retail spread (1982-84=100)	153.2	164.9	176.8	201.4	177.8	184.3	181.4	185.0	177.8	177.7
Farm value-retail cost (%)	29.3	28.0	24.4	28.3	23.1	25.5	30.6	30.3	21.5	20.1
<b>Processed fruits &amp; vegetables</b>										
Retail cost (1982-84=100)	125.0	132.7	130.2	130.5	132.9	134.3	134.2	135.0	135.0	134.1
Farm value (1982-84=100)	132.4	144.0	120.6	120.9	129.1	128.8	129.1	129.9	129.4	128.1
Farm-retail spread (1982-84=100)	122.7	129.1	133.2	133.5	134.1	136.0	135.8	136.6	136.7	136.0
Farm value-retail cost (%)	25.2	25.8	22.0	22.0	23.1	22.8	22.9	22.9	22.8	22.7
<b>Fats &amp; oils</b>										
Retail cost (1982-84=100)	121.2	126.3	131.7	131.6	130.7	131.3	129.8	129.6	130.4	130.2
Farm value (1982-84=100)	95.6	107.1	98.0	98.8	90.7	89.2	96.7	91.5	96.9	99.4
Farm-retail spread (1982-84=100)	130.6	133.4	144.2	144.4	145.4	146.8	142.0	143.6	142.7	141.5
Farm value-retail cost (%)	21.2	22.8	20.0	19.8	18.7	18.3	20.0	19.0	20.0	20.5

	Annual			1992						
	1989	1990	1991	July	Feb	Mar	Apr	May	June	July
<b>Beef, Choice</b>										
Retail price 2/ (cts./lb.)	265.7	281.0	288.3	288.4	282.5	285.6	287.6	285.8	287.1	283.8
Wholesale value 3/ (cts.)	176.8	169.6	182.5	178.8	184.6	183.3	182.6	183.4	180.8	173.6
Net farm value 4/ (cts.)	157.6	168.4	160.2	156.2	165.7	168.5	168.3	164.1	159.4	156.9
Farm-retail spread (cts.)	108.1	112.6	128.1	132.2	116.8	117.1	119.3	121.7	127.7	126.9
Wholesale-retail 5/ (cts.)	88.9	91.4	105.8	109.6	97.9	102.3	105.0	102.4	108.3	110.2
Farm-wholesale 6/ (cts.)	19.2	21.2	22.3	22.6	18.9	14.8	14.3	19.3	21.4	18.7
Farm value-retail price (%)	59	60	56	54	59	59	59	57	56	55
<b>Pork</b>										
Retail price 2/ (cts./lb.)	182.9	212.6	211.9	217.7	199.8	198.2	194.2	196.4	197.1	200.6
Wholesale value 3/ (cts.)	99.2	118.3	108.9	115.7	99.3	95.6	95.2	101.2	104.8	101.8
Net farm value 4/ (cts.)	70.4	87.2	78.4	89.0	84.9	82.4	86.4	73.3	76.1	72.2
Farm-retail spread (cts.)	112.5	125.4	133.5	128.7	134.9	135.8	127.8	123.1	121.0	128.4
Wholesale-retail 5/ (cts.)	83.7	94.3	103.0	102.0	100.5	102.6	99.0	95.2	92.3	98.8
Farm-wholesale 6/ (cts.)	28.8	31.1	30.5	26.7	34.4	33.2	28.8	27.9	28.7	29.6
Farm value-retail price (%)	38	41	37	41	32	31	34	37	39	36

1/ Retail costs are based on CPI-U of retail prices for domestically produced farm foods, published monthly by BLS. The farm value is the payment for the quantity of farm equivalent to the retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale & may include marketing charges such as grading & packing for some commodities. The farm-retail spread, the difference between the retail price & the farm value, represents charges for assembling, processing, transporting, distributing. 2/ Weighted average price of retail cuts from pork & choice yield grade 3 beef. Prices from BLS. 3/ Value of wholesale (boxed beef) & wholesale cuts (pork) equivalent to 1 lb. of retail cuts adjusted for transportation costs & byproduct values. 4/ Market value to producer for live animal equivalent to 1 lb. of retail cuts, minus value of byproducts. 5/ Charges for retailing & other marketing services such as wholesaling, and in-city transportation. 6/ Charges for livestock marketing, processing, & transportation.

Information contacts: Denis Dunham (202) 219-0870, Larry Duewer (202) 219-0712.

Table 9.—Price Indexes of Food Marketing Costs

	Annual			1991				1992	
	1989	1990	1991	I	II	III	IV	I	II P
	1987=100*								
Labor—hourly earnings & benefits	379.5	393.2	408.7	405.8	409.7	408.9	414.3	417.7	418.1
Processing	390.3	404.4	420.4	416.5	420.9	418.8	425.2	430.5	432.6
Wholesaling	408.1	422.0	443.8	440.6	444.7	443.2	448.6	454.3	458.5
Retailing	355.6	369.5	383.9	379.7	383.0	383.7	389.1	392.2	390.0
Packaging & containers	364.6	387.6	371.2	375.0	372.0	369.8	368.0	364.0	364.3
Paperboard boxes & containers	323.7	323.9	320.3	322.4	318.4	317.9	322.5	324.4	324.4
Metal cans	443.2	455.0	470.5	468.1	469.2	471.7	473.0	477.4	479.8
Paper bags & related products	408.2	413.0	410.9	423.1	419.5	411.4	389.6	351.0	351.7
Plastic films & bottles	313.2	307.1	310.7	318.0	311.8	306.8	306.3	308.6	307.9
Glass containers	409.9	427.3	446.0	445.4	445.9	446.2	446.3	446.1	445.6
Metal foil	274.4	258.4	251.6	263.0	257.5	245.0	240.6	241.4	240.1
Transportation services	404.9	411.3	422.6	420.7	423.2	422.7	423.7	425.4	426.5
Advertising	409.1	433.0	460.1	453.5	458.0	462.2	466.7	477.6	479.8
Fuel & power	619.4	671.4	655.7	679.5	636.8	656.8	649.6	620.4	622.6
Electric	468.9	477.7	506.3	490.6	505.3	530.6	506.9	497.1	495.9
Petroleum	592.1	744.8	649.6	739.1	599.5	626.4	634.4	564.2	580.3
Natural gas	1,070.9	1,071.0	1,065.0	1,069.8	1,056.0	1,051.5	1,062.6	1,049.6	1,038.3
Communications, water & sewage	247.3	253.1	261.7	258.4	260.4	263.5	264.5	265.3	265.8
Rent	277.1	273.0	282.7	284.1	283.6	282.3	280.7	279.9	279.6
Maintenance & repair	410.7	426.7	442.7	435.7	441.1	445.4	448.5	451.8	452.6
Business services	388.3	405.6	425.4	418.9	423.9	428.4	432.2	436.6	438.0
Supplies	321.4	321.1	319.3	325.5	319.5	314.6	317.5	314.5	314.9
Property taxes & insurance	439.7	462.2	480.5	474.0	477.4	482.4	486.0	491.3	492.4
Interest, short-term	172.1	155.5	114.5	129.1	118.5	114.1	96.2	82.0	82.4
Total marketing cost index	384.8	397.6	409.3	408.3	408.3	409.0	411.4	411.8	412.5

\* Indexes measure changes in employee earnings & benefits & in prices of supplies & services used in processing, wholesaling, & retailing U.S. farm foods purchased for at-home consumption. P = preliminary.

Information contact: Denis Dunham (202) 219-0870.

## Livestock &amp; Products

Table 10.—U.S. Meat Supply &amp; Use

	Beg. stocks	Produc- tion 1/	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price 3/
							Total	Per capita 2/	
Million pounds 4/							Pounds		
Beef									
1989	422	23,087	2,179	25,688	1,023	335	24,330	69.3	73.86
1990	335	22,743	2,356	25,434	1,006	397	24,031	67.8	78.56
1991	397	22,917	2,406	25,720	1,188	419	24,113	67.3	74.28
1992 F	419	23,135	2,370	25,924	1,325	325	24,274	67.3	74-76
Pork									
1989	437	15,813	896	17,146	262	313	16,571	52.0	44.03
1990	313	15,354	898	16,565	239	296	16,030	49.8	54.45
1991	296	15,999	775	17,070	283	393	16,394	50.4	48.88
1992 F	393	17,228	695	18,316	395	390	17,531	53.5	41-43
Veal 5/									
1989	5	355	0	360	0	4	356	1.2	91.84
1990	4	327	0	331	0	6	325	1.1	96.51
1991	6	308	0	312	0	7	305	1.0	99.95
1992 F	7	305	0	312	0	5	307	1.0	88-90
Lamb & mutton									
1989	6	347	63	416	2	8	406	1.5	67.32
1990	8	363	59	430	3	8	419	1.5	55.54
1991	8	363	60	431	3	6	422	1.5	53.21
1992 F	6	356	66	428	3	9	416	1.5	59-62
Total red meat									
1989	870	39,602	3,137	43,610	1,287	660	41,663	124.0	—
1990	660	38,787	3,313	42,760	1,248	707	40,805	120.1	—
1991	707	39,585	3,241	43,533	1,474	825	41,234	120.2	—
1992 F	825	41,025	3,131	44,980	1,723	729	42,528	123.2	—
Broilers									
1989	36	17,227	0	17,263	814	38	16,411	58.7	59.0
1990	38	18,430	0	18,468	1,143	26	17,299	61.1	54.8
1991	26	19,591	0	19,617	1,261	36	18,320	64.0	52.0
1992 F	36	20,648	0	20,682	1,265	35	19,382	67.2	50-52
Mature chicken									
1989	157	531	0	688	24	489	475	1.9	—
1990	189	523	0	713	25	224	464	1.9	—
1991	224	508	0	732	28	274	429	1.7	—
1992 F	274	526	0	800	31	300	469	1.8	—
Turkeys									
1989	250	4,136	0	4,385	41	236	4,109	16.6	66.7
1990	236	4,514	0	4,750	54	308	4,390	17.6	63.2
1991	306	4,603	0	4,909	103	264	4,541	18.0	61.3
1992 F	264	4,727	0	4,991	127	310	4,554	17.9	58-60
Total poultry									
1989	442	21,894	0	22,336	878	463	20,994	77.2	—
1990	463	23,468	0	23,931	1,222	557	22,152	80.5	—
1991	557	24,701	0	25,258	1,392	575	23,291	83.7	—
1992 F	575	25,899	0	26,473	1,423	645	24,405	86.9	—
Red meat & poultry									
1989	1,312	61,496	3,137	65,945	2,165	1,123	62,657	201.2	—
1990	1,123	62,255	3,313	66,691	2,469	1,264	62,958	200.6	—
1991	1,264	64,286	3,241	68,791	2,867	1,400	64,525	203.9	—
1992 F	1,400	66,923	3,131	71,453	3,146	1,374	66,933	210.1	—

1/ Total including farm production for red meats & federally inspected plus nonfederally inspected for poultry. 2/ Retail weight basis. (The beef carcass-to-retail conversion factor was 70.5). 3/ Dollars per cwt for red meat; cents per pound for poultry. Beef: Medium # 1, Nebraska Direct 1,100-1,300 lb.; pork: barrows & gilts, 6 markets; veal: farm price of calves; lamb & mutton: Choice slaughter lambs, San Angelo; broilers: wholesale 12-city average; turkeys: wholesale NY 8-16 lb. young hens. 4/ Carcass weight for red meats & certified ready-to-cook for poultry. 5/ Beginning 1989 veal trade no longer reported separately. F = forecast. — = not available.

Information contacts: Polly Cochran, or Maxine Davis (202) 219-0757.

Table 11.—U.S. Egg Supply &amp; Use

	Beg. stocks	Pro- duc- tion	Im- ports	Total supply	Ex- ports	Hatch- ing use	Ending stocks	Consumption		
								Total	Per capita	Wholesale price*
									No.	
Million dozen										
1987 <sup>1</sup>	10.4	5,868.2	5.6	5,884.2	111.2	599.1	14.4	5,159.5	254.9	61.6
1988	14.4	5,784.2	5.3	5,803.9	141.8	605.9	15.2	5,041.0	246.9	62.1
1989	15.2	5,598.2	25.2	5,638.5	91.8	643.9	10.7	4,892.4	237.3	81.9
1990	10.7	5,665.3	9.1	5,685.0	100.5	678.5	11.6	4,894.4	235.0	82.2
1991	11.8	5,757.8	2.3	5,771.8	154.3	708.1	13.0	4,898.4	232.7	77.5
1992 F	13.0	5,853.8	3.2	5,869.7	155.5	727.8	14.0	4,972.8	234.8	63-65

\* Cartoned grade A large eggs, New York. F = forecast.

Information contact: Maxine Davis (202) 219-0787.

Table 12.—U.S. Milk Supply & Use<sup>1/</sup>

	Production	Farm use	Commercial		Imports	Total commercial supply	CCC net removals	Commercial		All milk price 1/	CCC net removals	
			Farm marketings	Beg. stock				Ending stocks	Disappearance		Skim solids basis	Total solids basis 2/
			Billion pounds (milkfat basis)									
										\$/cwt	Billion pounds	
1985	143.0	2.5	140.6	4.8	2.8	148.2	13.3	4.5	130.4	12.76	17.2	15.6
1986	143.1	2.4	140.7	4.5	2.7	147.9	10.8	4.1	133.0	12.51	14.3	12.9
1987	142.7	2.3	140.5	4.1	2.5	147.1	8.8	4.0	135.7	12.54	9.3	8.3
1988	145.2	2.2	142.8	4.6	2.4	149.9	9.1	4.3	138.5	12.26	5.5	6.9
1989	144.2	2.1	142.2	4.3	2.5	149.0	9.4	4.1	135.5	13.56	0.4	4.0
1990	148.3	2.0	146.3	4.1	2.7	153.1	9.0	5.1	139.0	13.73	1.8	4.8
1991	148.5	2.0	146.5	5.1	2.8	154.3	10.5	4.6	139.3	12.23	4.0	6.6
1992	150.8	2.0	148.6	4.5	2.6	155.8	9.3	4.1	142.2	13.40	1.3	4.5

1/ Delivered to plants & dealers; does not reflect deductions. 2/ Arbitrarily weighted average of milkfat basis (40 percent) & skim solids basis (60 percent). F = forecast.

Information contact: Jim Miller (202) 219-0770.

Table 13.—Poultry &amp; Eggs

	Annual			1991 June	1992					
	1989	1990	1991		Jan	Feb	Mar	Apr	May	June
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.)	17,334.2	18,553.9	19,727.7	1579.1	1,775.5	1,580.2	1,760.5	1,729.7	1,740.3	1,821.4
Wholesale price, 12-city (cts./lb.)	59.0	54.8	52.0	52.7	50.1	50.3	50.2	49.5	55.1	52.4
Price of grower feed (\$/ton)	237	218	207	210	207	206	205	210	211	211
Broiler-feed price ratio 1/	3.0	3.0	3.0	3.0	2.9	2.9	2.9	2.8	3.0	3.0
Stocks beginning of period (mil. lb.)	35.9	38.3	28.1	38.9	36.1	39.3	36.4	31.8	35.4	31.8
Broiler-type chicks hatched (mil.) 2/	5,946.9	6,324.4	8,613.3	571.1	575.2	531.3	585.9	572.4	695.8	583.4
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.)	4,174.8	4,560.9	4,651.9	380.7	392.9	331.7	381.3	385.2	374.2	438.6
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	66.7	63.2	61.2	62.7	54.7	55.0	58.8	60.0	60.0	59.5
Price of turkey grower feed (\$/ton)	251.0	238	230	235	241	235	239	237	243	241
Turkey-feed price ratio 1/	3.2	3.2	3.3	3.3	3.1	3.0	3.1	3.1	3.1	3.1
Stocks beginning of period (mil. lb.)	249.7	235.9	308.4	453.4	284.1	325.5	354.1	393.3	430.2	486.8
Poults placed in U.S. (mil.)	290.7	304.9	308.0	28.2	25.7	25.5	27.8	28.2	28.8	28.8
<b>Eggs</b>										
Farm production (mil.)	67,178	67,983	69,094	5,622	5,927	5,540	6,023	5,819	5,907	5,887
Average number of layers (mil.)	269	270	274	272	278	278	278	277	276	275
Rate of lay (eggs per layer on farms)	249.5	251.7	252.4	20.7	21.2	19.9	21.7	21.0	21.4	20.7
Cartoned price, New York, grade A large (cts./doz.) 3/	81.9	82.2	77.5	68.8	66.6	61.7	83.1	85.0	86.9	82
Price of laying feed (\$/ton)	209	200	192	194	201	201	201	198	199	200
Egg-feed price ratio 1/	6.7	7.0	6.9	6.1	5.8	6.4	5.4	5.6	5.2	5.3
<b>Stocks, first of month</b>										
Shell (mil. doz.)	0.27	0.36	0.45	0.45	0.63	0.60	0.75	0.84	0.81	1.02
Frozen (mil. doz.)	14.9	10.3	11.2	10.3	12.3	15.2	14.6	15.0	14.3	14.4
<b>Replacement chicks hatched (mil.)</b>	383	398	417	36.1	32.5	31.9	36.3	35.8	38.3	34.3

1/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 2/ Placement of broiler chicks is currently reported for 15 States only; henceforth, hatch of broiler-type chicks will be used as a substitute. 3/ Price of cartoned eggs to volume buyers for delivery to retailers.

Information contact: Maxine Davis (202) 219-0787.

Table 14.—Dairy

	Annual			1991	1992					
	1989	1990	1991	June	Jan	Feb	Mar	Apr	May	June
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	12.37	12.21	11.05	10.58	11.71	11.21	10.98	11.48	12.06	12.48
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	127.9	102.1	99.3	98.1	94.9	88.2	86.2	88.2	83.8	76.6
Am. cheese, Wis. assembly pt. (cts./lb.)	138.8	136.7	124.4	121.4	125.3	119.0	119.8	131.9	139.9	141.3
Nonfat dry milk (cts./lb.) 2/	105.5	100.6	94.0	88.9	85.3	97.6	101.8	105.9	9/ 110.2	116.7
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,418.9	9,017.2	10,429.3	674.4	2,148.4	1,383.8	1,271.7	1,049.5	1,182.0	551.4
Butter (mil. lb.)	413.4	400.3	442.8	27.7	98.3	63.5	58.0	48.7	51.4	23.7
Am. cheese (mil. lb.)	37.4	21.5	76.9	7.1	4.6	0.8	8/	2.2	0	0
Nonfat dry milk (mil. lb.)	0	117.8	268.4	9.4	9.0	13.3	9.4	7.7	10.0	5.0
Milk										
Milk prod. 21 States (mil. lb.)	122,509	125,772	125,883	10,570	10,684	10,230	11,092	10,866	11,258	10,772
Milk per cow (lb.)	14,369	14,778	14,877	1,262	1,288	1,237	1,343	1,318	1,363	1,306
Number of milk cows (1,000)	8,528	8,512	8,392	8,377	8,296	8,273	8,262	8,254	8,262	8,256
U.S. milk production (mil. lb.)	144,239	148,314	148,525	7/ 12,477	7/ 12,671	7/ 12,132	7/ 13,155	7/ 12,878	7/ 13,342	7/ 12,787
Stock, beginning										
Total (mil. lb.)	8,379	9,038	13,359	19,065	15,841	16,731	18,392	17,069	20,050	20,702
Commercial (mil. lb.)	4,259	4,120	5,148	8,094	4,481	4,936	5,063	4,926	4,955	5,074
Government (mil. lb.)	4,122	4,918	8,213	12,971	11,379	11,795	13,329	14,143	15,095	15,628
Imports, total (mil. lb.)	2,499	2,690	2,619	265	160	142	178	211	218	—
Commercial disappearance (mil. lb.)	135,370	138,922	139,384	11,844	10,038	10,594	12,028	11,843	12,105	—
Butter										
Production (mil. lb.)	1,295.4	1,302.2	1,338.3	91.3	156.0	132.0	129.9	119.7	118.2	103.2
Stocks, beginning (mil. lb.)	214.7	256.2	416.1	646.7	539.4	568.6	630.3	655.7	701.7	734.1
Commercial disappearance (mil. lb.)	876.0	915.2	903.0	64.2	51.4	67.4	78.7	72.8	68.6	—
American cheese										
Production (mil. lb.)	2,674.1	2,894.2	2,804.9	233.2	245.5	231.3	246.4	244.9	261.8	259.7
Stocks, beginning (mil. lb.)	293.0	236.2	347.4	409.8	318.7	340.4	349.8	338.5	338.4	349.0
Commercial disappearance (mil. lb.)	2,683.1	2,784.4	2,792.7	223.9	217.6	221.4	261.2	244.3	252.7	—
Other cheese										
Production (mil. lb.)	2,941.3	3,167.0	3,285.9	275.8	268.5	265.8	296.3	289.8	289.1	288.3
Stocks, beginning (mil. lb.)	104.7	93.2	110.6	103.7	97.5	100.0	97.9	113.5	115.0	115.6
Commercial disappearance (mil. lb.)	3,298.9	3,426.4	3,674.0	296.5	279.1	282.6	298.1	309.4	310.5	—
Nonfat dry milk										
Production (mil. lb.)	874.7	879.2	877.5	77.0	80.2	78.1	92.8	82.2	89.2	81.3
Stocks, beginning (mil. lb.)	63.1	49.6	161.9	328.8	214.8	190.0	153.1	127.5	138.7	137.5
Commercial disappearance (mil. lb.)	873.0	697.8	663.8	74.8	71.6	61.1	75.6	70.9	69.2	—
Frozen dessert										
Production (mil. gal.) 5/	1,214.0	1,174.6	1,196.1	127.6	83.3	87.8	108.6	111.7	118.8	127.9
	Annual			1990	1991				1992	
	1989	1990	1991	IV	I	II	III	IV	I P	II P
Milk production (mil. lb.)	144,239	148,319	148,525	36,301	37,425	38,633	36,255	36,212	37,958	38,987
Milk per cow (lb.)	14,244	14,848	14,867	3,577	3,705	3,864	3,647	3,651	3,850	3,958
No. of milk cows (1,000)	10,126	10,127	9,990	10,151	10,101	9,999	9,940	9,918	9,858	9,850
Milk-feed price ratio 5/	1.65	1.71	1.58	1.67	1.49	1.47	1.59	1.77	1.68	1.55
Returns over concentrate costs (\$/cwt milk)	10.18	10.39	9.00	9.03	8.25	8.05	9.25	10.45	9.60	9.50

1/ Manufacturing grade milk. 2/ Prices paid f.o.b. Central States production area. 3/ Includes products exported through the Dairy Export Incentive Program (DEIP). 4/ Milk equivalent, fat basis. 5/ Hard ice cream, ice milk, & hard sherbet. 6/ Based on average milk price after adjustment for price support deductions. 7/ Estimated. 8/ Less than 50,000 pounds. 9/ Entire period not available. Average of weeks reported. P = preliminary. — = not available.

Information contact: LaVerne T. Williams (202) 219-0770.

Table 15.—Wool

	Annual			1991				1992	
	1989	1990	1991	I	II	III	IV	I P	II P
U.S. wool price, (cts./lb.) 1/	370	256	199	197	200	217	182	209	222
Imported wool price, (cts./lb.) 2/	354	287	187	235	199	194	222	250	233
U.S. mill consumption, scoured									
Apparel wool (1,000 lb.)	120,534	120,822	143,519	31,582	37,111	34,578	33,916	36,693	—
Carpet wool (1,000 lb.)	14,122	12,124	14,363	3,085	3,118	4,561	3,588	4,598	—

1/ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2-3/4" & up. 2/ Wool price, Charleston, SC warehouse, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. — = not available.

Information contact: John Lawler (202) 219-0840.

Table 16.—Meat Animals

	Annual			1991	1992					
	1989	1990	1991	June	Jan	Feb	Mar	Apr	May	June
<b>Cattle on feed (7 States)</b>										
Number on feed (1,000 head) 1/	8,045	8,378	8,992	8,570	8,397	8,203	8,155	8,008	7,818	7,826
Placed on feed (1,000 head)	20,834	21,030	19,708	1,102	1,565	1,492	1,506	1,425	1,724	1,339
Marketings (1,000 head)	19,422	19,198	19,068	1,681	1,660	1,420	1,536	1,490	1,594	1,712
Other disappearance (1,000 head)	1,079	1,218	1,230	114	99	120	117	125	122	116
<b>Beef steer-corn price ratio,</b>										
Omaha 2/	30.3	32.8	31.6	32.0	29.9	31.0	30.4	31.6	30.6	29.4
Hog-corn price ratio, Omaha 2/	18.4	23.1	21.1	23.6	15.7	16.7	15.5	17.2	18.7	18.7
<b>Market prices (\$/cwt)</b>										
<b>Slaughter cattle</b>										
Choice steers, Omaha 1,000-1,100 lb.	72.62	77.40	73.83	74.83	71.20	75.71	76.58	76.93	76.31	74.15
Choice steers, Neb. Direct, 1,100-1,300 lb.	73.80	78.56	74.28	74.39	72.55	76.75	78.02	77.61	76.18	74.02
Boning utility cows, Sioux Falls	48.98	53.60	60.31	54.19	43.53	45.25	45.94	44.92	46.63	43.47
<b>Feeder cattle</b>										
Medium no. 1, Oklahoma City 600-700 lb.	86.66	92.16	92.74	89.59	82.41	83.96	84.80	84.57	84.99	85.19
<b>Slaughter hogs</b>										
Barrows & gilts, 8-markets	44.03	54.45	48.88	54.55	36.91	40.31	38.82	41.56	45.58	47.36
<b>Feeder pigs</b>										
8. Mo. 40-60 lb. (per head)	33.63	51.46	39.84	42.78	27.18	36.72	37.57	37.87	32.10	27.60
<b>Slaughter sheep &amp; lambs</b>										
Lambs, Choice, San Angelo	67.32	65.64	52.73	55.75	58.81	67.88	67.20	74.63	68.88	64.60
Ewes, Good, San Angelo	38.58	35.21	31.98	33.38	38.88	40.68	42.60	35.00	31.63	29.44
<b>Feeder lambs</b>										
Choice, San Angelo	79.85	62.95	53.27	49.69	62.00	68.00	68.75	70.56	64.69	61.22
<b>Wholesale meat prices, Midwest</b>										
Boxed beef cut-out value	114.78	123.21	118.31	120.55	114.38	119.65	119.14	118.66	119.18	117.53
Canner & cutter cow beef	94.43	98.96	99.44	105.15	92.87	95.60	96.49	94.16	95.31	93.14
Pork loins, 14-18 lb. 3/	101.09	117.62	108.39	123.49	98.89	99.13	94.10	98.65	108.94	113.94
Pork bellies, 12-14 lb.	34.14	53.80	47.79	56.48	28.05	29.44	28.01	26.93	34.09	32.78
Hams, skinned, 14-17 lb.	69.39	87.70	81.80	—	—	—	—	—	—	—
<b>All fresh beef retail price 4/</b>	238.97	254.99	282.12	264.50	257.65	257.08	259.34	260.32	259.28	257.47
<b>Commercial slaughter (1,000 head) 5/</b>										
<b>Cattle</b>	33,918	33,241	32,690	2,709	2,927	2,439	2,666	2,587	2,745	2,923
Steers	16,539	16,587	16,732	1,445	1,450	1,255	1,389	1,385	1,473	1,614
Heifers	10,406	10,090	9,719	813	877	690	759	713	772	800
Cows	6,316	5,820	5,623	400	551	449	488	458	445	451
Butts & stags	657	644	614	51	49	45	52	51	55	58
Calves	2,172	1,789	1,436	92	131	113	122	111	106	108
<b>Sheep &amp; lambs</b>	5,466	5,654	5,722	406	484	436	497	526	388	436
<b>Hogs</b>	88,691	85,136	88,169	5,296	8,343	7,330	8,121	7,792	7,061	7,345
<b>Commercial Production (mil. lb.)</b>										
<b>Beef</b>	22,974	22,634	22,800	1,874	2,039	1,707	1,849	1,786	1,899	2,038
<b>Veal</b>	344	316	296	20	28	25	27	25	25	25
<b>Lamb &amp; mutton</b>	341	358	358	25	31	28	32	33	25	27
<b>Pork</b>	15,759	15,300	15,948	1,140	1,524	1,329	1,467	1,414	1,287	1,332

	Annual			1991				1992		
	1989	1990	1991	I	II	III	IV	I	II	III
<b>Cattle on feed (13 States)</b>										
Number on feed (1,000 head) 1/	9,688	9,943	10,827	10,827	10,739	9,461	8,620	10,135	9,693	8,847
Placed on feed (1,000 head)	24,469	24,803	23,208	5,702	5,006	5,414	7,086	5,403	5,273	—
Marketings (1,000 head)	22,940	22,528	22,383	5,328	5,820	5,973	5,262	5,441	5,675	*5,720
Other disappearance (1,000 head)	1,274	1,393	1,517	462	464	282	309	404	444	—
<b>Hogs &amp; pigs (10 States) 6/</b>										
Inventory (1,000 head) 1/	43,210	42,200	42,900	42,900	41,990	44,520	46,900	45,735	44,770	47,225
Breeding (1,000 head) 1/	5,335	5,275	5,257	5,257	5,450	6,720	5,675	5,810	5,550	5,840
Market (1,000 head) 1/	37,875	36,925	37,643	37,643	36,540	38,800	41,225	40,125	39,220	41,385
Farrowings (1,000 head)	9,203	8,960	9,479	2,129	2,588	2,441	2,348	2,289	2,655	*2,482
Pig crop (1,000 head)	71,807	70,589	75,035	16,770	20,632	19,278	18,551	18,475	21,504	—

1/ Beginning of period. 2/ Bushels of corn equal in value to 100 pounds live weight. 3/ Prior to 1984, 8-14 lb.; 1984 & 1985, 14-17 lb.; beginning 1986, 14-18 lb. 4/ New series estimating the composite price of all beef grades & ground beef sold by retail stores. This new series is in addition to, but does not replace, the series for the retail price of Choice beef that appears in table 8. 5/ Classes estimated. 6/ Quarters are Dec. of preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), & Sept.-Nov. (IV). May not add to NASS totals due to rounding. — = not available. \* Intentional.

Information contact: Polly Cochran (202) 219-0767.

## Crops &amp; Products

Table 17.—Supply & Utilization<sup>1,2</sup>

	Area			Yield	Production	Total supply <sup>4/</sup>	Feed and resid- ual	Other domes- tic use	Ex- ports	Total use	Ending stocks	Farm price <sup>5/</sup>
	Set aside <sup>3/</sup>	Planted	Harves- ted									
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
<b>Wheat</b>												
1987/88	23.9	65.8	55.9	37.7	2,108	3,945	290	806	1,568	2,684	1,261	2.57
1988/89	22.5	65.5	53.2	34.1	1,812	3,096	146	829	1,419	2,394	702	3.72
1989/90	9.8	76.6	62.2	32.7	2,037	2,762	143	849	1,233	2,225	536	3.72
1990/91*	7.6	77.2	69.3	39.5	2,736	3,309	500	875	1,068	2,443	866	2.61
1991/92*	15.0	69.9	57.7	34.3	1,981	2,889	255	879	1,281	2,415	472	3.00
1992/93*	7.0	72.3	63.1	37.0	2,336	2,850	175	898	1,125	2,198	652	2.80-3.20
	Mil. acres		Lb./acre					Mil. cwt (rough equiv.)				\$/cwt
<b>Rice</b>												
1987/88	1.87	2.36	2.33	5,555	129.6	184.0	—	6/ 80.4	72.2	152.6	31.4	7.27
1988/89	1.09	2.93	2.90	5,514	159.9	195.1	—	6/ 82.4	85.9	168.4	26.7	6.83
1989/90	1.16	2.73	2.69	5,749	154.5	185.0	—	6/ 82.1	77.2	159.3	29.3	7.35
1990/91*	1.02	2.90	2.82	5,529	156.1	187.2	—	6/ 91.7	70.9	182.6	24.6	6.70
1991/92*	0.9	2.86	2.75	5,817	154.6	184.5	—	6/ 92.8	65.0	157.8	28.7	7.50-7.55
1992/93*	0.4	3.03	2.97	5,607	166.4	199.1	—	6/ 94.3	74.0	188.3	30.8	6.50-7.50
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
<b>Corn</b>												
1987/88	23.1	68.2	59.5	119.8	7,131	12,010	4,798	1,243	1,718	7,757	4,259	1.94
1988/89	20.5	67.7	58.3	84.8	4,929	9,191	3,941	1,293	2,026	7,260	1,930	2.54
1989/90	10.8	72.2	64.7	116.3	7,525	9,458	4,389	1,358	2,368	8,113	1,344	2.36
1990/91*	10.7	74.2	67.0	118.5	7,934	9,282	4,669	1,367	1,725	7,761	1,521	2.28
1991/92*	7.4	76.0	68.8	108.6	7,474	9,016	4,900	1,445	1,576	7,920	1,096	2.37
1992/93*	5.3	79.3	72.2	121.3	8,762	9,668	5,000	1,465	1,600	8,065	1,603	1.85-2.25
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
<b>Sorghum</b>												
1987/88	4.1	11.8	10.5	69.4	731	1,474	555	25	232	812	663	1.70
1988/89	3.9	10.3	9.0	63.8	577	1,239	466	22	312	800	440	2.27
1989/90	3.3	12.6	11.1	55.4	615	1,055	518	15	303	835	220	2.10
1990/91*	3.3	10.5	9.1	63.1	573	793	410	9	232	651	143	2.12
1991/92*	2.5	11.0	9.8	59.0	579	722	345	9	280	634	68	2.28
1992/93*	1.9	13.5	12.3	67.7	834	921	475	10	300	785	136	1.75-2.15
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
<b>Barley</b>												
1987/88	2.9	10.9	10.0	52.4	521	869	253	174	121	548	321	1.81
1988/89	2.8	9.8	7.6	38.0	290	622	171	175	79	425	196	2.80
1989/90	2.3	9.1	8.3	48.6	404	614	193	175	84	453	161	2.42
1990/91*	2.9	8.2	7.5	56.1	422	596	205	176	81	461	135	2.14
1991/92*	2.2	8.9	8.4	55.2	464	624	229	171	95	494	130	2.10
1992/93*	2.1	7.8	7.3	54.1	395	545	170	170	90	430	115	1.90-2.30
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
<b>Oats</b>												
1987/88	0.8	17.9	6.9	54.3	374	552	358	81	1	440	112	1.56
1988/89	0.3	13.9	5.6	39.3	218	393	194	100	1	294	98	2.61
1989/90	0.4	12.1	6.9	54.3	374	538	266	115	1	381	157	1.49
1990/91*	0.2	10.4	5.9	60.1	358	578	286	120	1	407	171	1.14
1991/92*	0.6	8.7	4.8	50.6	243	489	235	125	2	362	127	1.20
1992/93*	0.7	8.0	4.8	57.6	278	468	220	130	1	351	117	1.10-1.50
	Mil. acres		Bu./acre					Mil. bu.				\$/bu.
<b>Soybeans</b>												
1987/88	0	58.2	57.2	33.9	1,938	2,375	7/ 97	1,174	802	2,073	302	5.88
1988/89	0	58.8	57.4	27.0	1,549	1,855	7/ 88	1,058	527	1,673	182	7.42
1989/90	0	60.8	59.5	32.3	1,924	2,108	7/ 100	1,146	623	1,869	239	5.69
1990/91*	0	57.8	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92*	0	59.1	58.0	34.3	1,986	2,320	7/ 95	1,250	690	2,035	285	5.60
1992/93*	0	59.1	58.1	35.8	2,079	2,369	7/ 94	1,255	700	2,049	320	5.00-5.70
								Mil. lbs.				\$/ Cts./lb.
<b>Soybean oil</b>												
1987/88	—	—	—	—	12,974	14,895	—	10,930	1,873	12,803	2,092	22.67
1988/89	—	—	—	—	11,737	13,967	—	10,591	1,681	12,252	1,715	21.10
1989/90	—	—	—	—	13,004	14,741	—	12,083	1,353	13,436	1,305	22.30
1990/91*	—	—	—	—	13,408	14,730	—	12,164	780	12,944	1,786	21.00
1991/92*	—	—	—	—	14,210	16,000	—	12,200	1,400	13,600	2,400	19.00
1992/93*	—	—	—	—	14,245	16,660	—	12,500	1,550	14,050	2,600	16.5-19.5
								1,000 tons				\$/ \$/ton
<b>Soybean meal</b>												
1987/88	—	—	—	—	28,080	28,300	—	21,293	6,854	28,147	153	222
1988/89	—	—	—	—	24,943	25,100	—	19,657	5,270	24,927	173	233
1989/90	—	—	—	—	27,719	27,900	—	22,283	5,319	27,592	318	174
1990/91*	—	—	—	—	28,325	28,666	—	22,912	5,469	28,381	285	170
1991/92*	—	—	—	—	29,580	29,920	—	23,070	6,550	29,620	300	175
1992/93*	—	—	—	—	29,725	30,050	—	23,500	6,250	29,750	300	160-180

See footnotes at end of table.

Table 17.—Supply &amp; Utilization, continued

	Area		Harvested	Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 5/
	Set Aside 3/	Planted										
	Mil. acres			Lb./acre				Mil. bales				Cts./lb.
Cotton 10/												
1987/88	4.0	10.4	10.0	708	14.8	19.8	---	7.6	6.6	14.2	5.8	64.30
1988/89	2.2	12.5	11.9	819	15.4	21.2	---	7.8	6.1	13.9	7.1	56.60
1989/90	3.5	10.6	9.5	814	12.2	19.3	---	8.8	7.7	16.5	3.0	66.20
1990/91 *	2.0	12.3	11.7	834	15.5	18.5	---	8.7	7.8	16.5	2.3	68.20
1991/92 *	1.2	14.1	13.0	852	17.6	20.0	---	9.5	6.7	18.2	3.9	11/ 58.30
1992/93 *	1.8	13.4	11.4	696	16.5	20.4	---	9.7	6.7	16.4	4.1	

\* August 12, 1992 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats; August 1 for cotton & rice; September 1 for soybeans, corn, & sorghum; October 1 for soybean meal & soybean oil. 2/ Conversion factors: Hectare (ha.) = 2.471 acres; 1 metric ton = 2,204.622 pounds; 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 66.8944 bushels of oats, 22.046 cwt of rice, & 4.59 480-pound bales of cotton. 3/ Includes diversion, acreage reduction, 50-02, & 0-92 programs. 0/92 & 50/92 set-aside includes idled acreage & acreage planted to minor oilseeds. Data for 1992/93 are preliminary. 4/ Includes imports. 5/ Marketing-year weighted average price received by farmers. Does not include an allowance for loans outstanding & Government purchases. 6/ Residual included in domestic use. 7/ Includes seed. 8/ Simple average of crude soybean oil, Decatur. 9/ Simple average of 44 percent, Decatur. 10/ Upland & extra long staple. Stocks estimates based on Census Bureau data, resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 11/ Weighted average for August-March; not a projection for the marketing year. — = not available or not applicable.

Information contact: Commodity Economics Division, Crops Branch (202) 219-0840.

Table 18.—Cash Prices, Selected U.S. Commodities

	Marketing year 1/				1991	1992				
	1987/88 <sup>1</sup>	1988/89	1989/90	1990/91	June	Feb	Mar	Apr	May	June
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.96	4.17	4.22	2.94	2.99	4.51	4.33	4.02	3.90	3.91
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.15	4.36	4.16	3.06	3.04	4.58	4.36	4.28	4.44	4.42
Rice, S.W. La. (\$/cwt) 4/	19.25	14.85	15.55	15.25	17.25	17.30	18.60	16.45	15.70	15.10
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.14	2.68	2.54	2.40	2.43	2.67	2.72	2.58	2.60	2.59
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	3.40	4.17	4.21	4.08	4.02	4.52	4.78	4.41	4.54	4.51
Barley, feed, Duluth (\$/bu.) 6/	1.78	2.32	2.20	2.13	2.02	2.28	2.30	2.35	2.38	2.30
Barley, malting, Minneapolis (\$/bu.)	2.04	4.11	3.28	2.42	2.26	2.51	2.50	2.50	NQ	3.95
U.S. price, SLM, 1-1/16 in. (cts./lb.) 8/	63.1	57.7	69.8	74.8	79.1	50.8	52.0	55.0	55.5	56.8
Northern Europe prices index (cts./lb.) 7/	72.3	66.4	82.3	82.9	83.8	56.3	55.3	58.2	61.0	64.4
U.S. M 1-3/32 in. (cts./lb.) 8/	78.3	69.2	83.6	88.2	NQ	60.3	59.8	62.7	63.6	67.7
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	6.67	7.41	5.86	5.76	5.65	5.73	5.86	5.73	5.99	6.08
Soybean oil, crude, Decatur (cts./lb.)	22.70	21.10	22.30	21.00	19.65	18.88	19.74	19.00	20.23	20.71
Soybean meal, 44% protein, Decatur (\$/ton)	221.90	233.50	173.75	189.78	171.1	174.30	174.20	174.80	172.40	181.70

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soybean meal & oil. 2/ Ordinary protein. 3/ 14% protein. 4/ Long grain, milled basis. 5/ Beginning Mar. 1987 reporting point changed from Minneapolis to Duluth. 6/ Average spot market. 7/ Liverpool Cotton (A) Index; average average of five lowest prices of 12 selected growths. 8/ Memphis territory growths. NQ = no quotation.

Information contacts: Wheat & feed grains, Joy Harwood (202) 219-0840; Cotton, Lee Meyer (202) 219-0840; Soybeans, Brenda Toland, (202) 219-0840.

Table 19.—Farm Programs, Price Supports, Participation &amp; Payment Rates

	Target price	Basic loan rate	Findley or announced loan rate 1/	Payment rates			Effective base acres 2/	Program 3/	Participation rate 4/
				Paid land diversion					
				Total deficiency	Mandatory	Optional			
				\$/bu.			Mil. acres	Percent of base	Percent of base
Wheat									
1987/88	4.38	2.85	2.28	1.81	—	—	87.6	27.5/0/0	88
1988/89	4.23	2.78	2.21	0.69	—	—	84.8	27.5/0/0	86
1989/90	4.10	2.58	2.06	0.32	—	—	82.3	10/0/0	78
1990/91 6/	4.00	2.44	1.95	1.28	—	—	80.5	7/ 5/0/0	83
1991/92	4.00	2.52	2.04	*1.35	—	—	79.2	15/0/0	85
1992/93	4.00	2.58	2.21	*0.65	—	—	79.0	5/0/0	82
1993/94	4.00	2.86	2.45	—	—	—	—	0/0/0	—
Rice									
				\$/cwt					
1986/87 5/	11.90	7.20	8/ 3.94	4.70	—	—	4.2	35/0/0	94
1987/88	11.86	8.84	8/ 5.79	4.82	—	—	4.2	35/0/0	96
1988/89	11.15	8.63	8/ 6.21	4.31	—	—	4.2	25/0/0	94
1989/90	10.80	8.50	8/ 5.71	3.56	—	—	4.2	25/0/0	94
1990/91 6/	10.71	6.50	8/ 5.08	4.21	—	—	4.2	20/0/0	94
1991/92	10.71	6.50	—	3.07	—	—	4.2	5/0/0	95
1992/93	10.71	6.50	—	*3.51	—	—	4.1	0/0/0	93
Corn									
				\$/bu.					
1986/87 5/	3.03	2.40	1.92	1.11	0.73	—	81.7	17.5/2.5/0	86
1987/88	3.03	2.28	1.82	1.09	—	2.00	81.5	20/0/15	91
1988/89	2.93	2.21	1.77	0.36	—	1.75	82.9	20/0/10	87
1989/90	2.84	2.06	1.65	0.58	—	—	82.7	10/0/0	80
1990/91 6/	2.75	1.89	1.57	0.53	—	—	82.6	10/0/0	77
1991/92	2.75	1.89	1.62	*0.41	—	—	82.7	7.5/0/0	77
1992/93	2.75	2.01	1.72	*0.48	—	—	82.2	5/0/0	75
Sorghum									
				\$/bu.					
1986/87 5/	2.88	2.28	1.82	1.06	0.65	—	19.0 9/	17.5/2.5/0	74
1987/88	2.88	2.17	1.74	1.14	—	1.80	17.4	20/0/15	85
1988/89	2.78	2.10	1.68	0.48	—	1.65	16.8	20/0/10	82
1989/90	2.70	1.96	1.57	0.66	—	—	16.2	10/0/0	71
1990/91 6/	2.61	1.86	1.49	0.58	—	—	15.4	10/0/0	70
1991/92	2.61	1.80	1.54	*0.37	—	—	13.5	7.5/0/0	77
1992/93	2.61	1.91	1.63	*0.46	—	—	13.8	5/0/0	77
Barley									
				\$/bu.					
1986/87 5/	2.80	1.95	1.56	0.99	0.57	—	12.4 9/	17.5/2.5/0	72
1987/88	2.80	1.86	1.49	0.79	—	1.80	12.5	20/0/15	85
1988/89	2.51	1.80	1.44	0.00	—	1.40	12.4	20/0/10	79
1989/90	2.43	1.68	1.34	0.00	—	—	12.3	10/0/0	87
1990/91 6/	2.36	1.60	1.28	0.22	—	—	11.9	10/0/0	68
1991/92	2.36	1.54	1.32	*0.62	—	—	11.5	7.5/0/0	76
1992/93	2.36	1.64	1.40	*0.35	—	—	11.1	5/0/0	74
Oats									
				\$/bu.					
1986/87 5/	1.80	1.23	0.99	0.39	0.38	—	9.2 9/	17.5/2.5/0	38
1987/88	1.80	1.17	0.94	0.20	—	0.80	8.4	20/0/15	45
1988/89	1.55	1.14	0.90	0.00	—	—	7.9	5/0/0	30
1989/90	1.50	1.06	0.85	0.00	—	—	7.6	5/0/0	18
1990/91 6/	1.45	1.01	0.81	0.33	—	—	7.5	5/0/0	09
1991/92	1.45	0.97	0.83	*0.35	—	—	7.3	0/0/0	36
1992/93	1.45	1.03	0.88	*0.15	—	—	7.3	0/0/0	40
Soybeans 10/									
				\$/bu.					
1986/87 5/	—	—	4.77	—	—	—	—	—	—
1987/88	—	—	4.77	—	—	—	—	—	—
1988/89	—	—	4.77	—	—	—	—	—	—
1989/90	—	—	4.53	—	—	—	—	11/ 10/25	—
1990/91 6/	—	—	4.50	—	—	—	—	11/ 0/25	—
1991/92	—	—	5.02	—	—	—	—	11/ 0/25	—
1992/93	—	—	5.02	—	—	—	—	11/ 0/25	—
Upland cotton									
				Cts./lb.					
1986/87 5/	81.0	55.00	12/ 44.00	28.00	—	—	15.5	25/0/0	82
1987/88	78.4	52.25	13/ 60.00	17.3	—	—	14.5	25/0/0	93
1988/89	75.9	51.80	13/ 51.89	19.4	—	—	14.5	12.5/0/0	89
1989/90	73.4	50.00	13/ 65.05	13.1	—	—	14.8	25/0/0	89
1990/91 6/	72.8	50.27	13/ 53.00	7.3	—	—	14.4	12.5/0/0	88
1991/92 14/	72.9	50.77	13/ —	10.1	—	—	14.6	5/0/0	84
1992/93	72.9	52.36	13/ —	*15.0	—	—	14.9	10/0/0	87

1/ There are no Findley loan rates for rice or cotton. See footnotes 8/, 12/, & 13/. 2/ National effective crop acreage base as determined by ASCS. Net of CRP. 3/ Program requirements for participating producers (mandatory acreage reduction program/mandatory paid land diversion/optional paid land diversion). Acres idled must be devoted to a conserving use to receive program benefits. 4/ Percentage of effective base acres enrolled in acreage reduction programs. 5/ Payments & loans received in cash were reduced by 4.3 percent in 1986/87 due to Gramm-Rudman-Hollings. 6/ Payments & loans were reduced by 1.4 percent in 1990/91 due to Gramm-Rudman-Hollings. Budget Reconciliation Act reductions to deficiency payment rates were also in effect in that year. Data do not include these reductions. 7/ Under 1990 modified contracts, participating producers plant up to 105 percent of their wheat base acres. For every acre planted above 95 percent of base, the acreage used to compute deficiency payments was cut by 1 acre. 8/ A marketing loan has been in effect for rice since 1985/86. Loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly). However, loans cannot be repaid at less than a specified fraction of the loan rate. Data refer to annual average adjusted world prices. 9/ The sorghum, oats, & barley programs are the same as for corn except as indicated. 10/ There are no target prices, base acres, acreage reduction programs, or deficiency payment rates for soybeans. 11/ Nominal percentage of program crop base acres permitted to shift into soybeans without loss of base. 12/ A marketing loan has been in effect for cotton since 1986/87. The loan repayment rate was fixed at 80 percent of the loan rate in 1988/87 (Plan A). 13/ In 1987/88 & after, loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly; Plan B). Starting in 1991/92, loans cannot be repaid at less than 70 percent of the loan rate. Data refer to annual average adjusted world prices. 14/ A marketing certificate program was implemented on Aug. 1, 1991. — = not available.

\* For wheat & feed grains, the 1991/92 rate is the regular (5-month) deficiency payment rate. For the winter wheat option, the 5-month rate is \$1.25. For upland cotton & rice, the rate is the total payment rate. \*\* Estimated total deficiency payment rate. Minimum guaranteed payment rate for 0/92 (wheat & feed grains) & 50/92 (rice & upland cotton) programs.

Table 20.—Fruit

	1983	1984	1985	1986	1987	1988	1989	1990	1991 P
Citrus 1/									
Production (1,000 ton)	13,682	10,832	10,525	11,058	11,993	12,761	13,186	10,860	12,218
Per capita consumpt. (lbs.) 2/	29.5	24.0	22.6	26.0	25.8	26.4	25.4	22.4	—
Noncitrus 3/									
Production (1,000 tons)	14,168	14,301	14,191	13,874	16,011	15,893	16,365	15,656	15,821
Per capita consumpt. (lbs.) 2/	63.6	67.7	66.7	69.8	75.4	72.7	74.3	69.8	—
	1991			1992					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
F.o.b. shipping point prices									
Apples (\$/canton) 4/	14.00	14.00	14.00	13.73	21.13	15.00	15.00	15.13	15.50
Pears (\$/box) 5/	13.00	13.00	13.00	12.50	21.25	13.50	13.68	18.13	15.10
Grower prices									
Oranges (\$/box) 6/	11.09	5.19	5.31	5.93	6.90	6.04	6.59	6.73	5.14
Grapefruit (\$/box) 6/	6.24	6.16	5.95	5.92	5.68	7.11	7.65	3.98	4.02
Stocks, ending									
Fresh apples (mil. lbs.)	5,133.7	4,461.5	3,703.8	2,952.9	2,315.4	1,823.1	1,073.3	672.9	327.1
Fresh pears (mil. lbs.)	420.8	335.4	217.2	181.5	152.7	93.6	57.0	18.7	4.7
Frozen fruits (mil. lbs.)	1,027.9	983.4	892.4	803.8	741.8	634.1	582.0	613.7	666.2
Frozen orange juice (mil. lbs.)	584.2	617.3	952.7	1,130.7	1,149.7	1,102.9	1,269.3	1,306.2	1,132.6

1/ 1991 indicated 1990/91 season. 2/ Fresh per capita consumption. 3/ Calendar year. 4/ Red delicious, Washington, extra fancy, carton tray pack, 125's. 5/ D'Anjou, Washington, standard box wrapped, U.S. no. 1, 135's. 6/ U.S. equivalent on-tree returns. P = preliminary. — = not available.

Information contact: Wynne Napper (202) 219-0884.

Table 21.—Vegetables

	Calendar year									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Production										
Total vegetables (1,000 cwt)	430,795	403,509	456,334	453,030	448,629	478,381	468,779	542,437	561,704	564,300
Fresh (1,000 cwt) 1/ 3/	193,451	185,782	201,817	203,549	203,165	220,539	228,397	239,281	239,104	229,007
Processed (tons) 2/ 3/	11,867,170	10,888,350	12,725,880	12,474,040	12,273,200	12,892,100	12,019,110	15,167,790	18,130,020	18,764,670
Mushrooms (1,000 lbs.) 4/	490,826	561,531	595,681	587,958	614,393	631,819	667,759	714,992	749,488	—
Potatoes (1,000 cwt)	355,131	333,728	362,039	406,609	361,743	389,320	356,438	370,444	402,110	418,229
Sweet potatoes (1,000 cwt)	14,833	12,063	12,902	14,573	12,368	11,611	10,945	11,358	12,594	11,203
Dry edible beans (1,000 cwt)	25,563	15,520	21,070	22,298	22,990	26,031	19,253	23,729	32,379	32,963
	1991			1992						
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Shipments										
Fresh (1,000 cwt) 5/	15,711	20,930	17,354	16,583	22,759	17,429	17,627	26,955	28,050	29,056
Potatoes (1,000 cwt)	9,541	13,089	12,277	11,385	14,747	12,213	14,325	22,793	14,643	11,768
Sweet potatoes (1,000 cwt)	220	403	620	433	301	265	247	387	176	184

1/ Includes fresh production of asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, & tomatoes. 2/ Includes processing production of snap beans, sweet corn, green peas, tomatoes, cucumbers (for pickles), asparagus, broccoli, carrots, & cauliflower. 3/ Asparagus & cucumber estimates were not available for 1982 & 1983. 4/ Fresh & processing agaricus mushrooms only. Excludes specialty varieties. Crop year July 1 - June 30. 5/ Includes snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, lettuce, onions, bell peppers, squash, tomatoes, cantaloupes, honeydews, & watermelons. — = not available.

Information contact: Gary Lucier or Cathy Greene (202) 219-0884.

Table 22.—Other Commodities

	Annual					1991				1992
	1987	1988	1989	1990	1991	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar
Sugar										
Production 1/	7,309	7,087	6,841	6,335	7,139	2,206	625	647	3,661	—
Deliveries 1/	8,167	8,188	8,340	8,661	8,698	2,019	2,103	2,340	2,236	—
Stocks, ending 1/	3,195	3,132	2,946	2,729	2,923	3,530	2,487	1,513	2,923	—
Coffee										
Composite green price N.Y. (cts/lb.)	109.14	119.59	95.17	78.93	70.09	74.94	72.13	68.18	64.84	59.19
Imports, green bean equiv. (mil. lbs.) 2/	2,638	2,072	2,630	2,714	2,572	748	563	562	899	840
	Annual			1990	1991					
	1988	1989	1990	Dec	July	Aug	Sept	Oct	Nov	Dec
Tobacco										
Prices at auctions 3/										
Flue-cured (\$/lb.)	1.61	1.67	1.67	—	—	1.66	1.77	1.78	1.69	—
Burley (\$/lb.)	1.61	1.67	1.75	1.75	—	—	—	—	1.83	1.80
Domestic consumption 4/										
Cigarettes (bil.)	562.5	540.1	523.1	34.1	44.0	42.3	43.4	40.5	57.1	32.7
Large cigars (mil.)	2,531	2,467.6	2,343.4	157.9	170.2	205.8	183.4	183.1	191.4	157.1

1/ 1,000 short tons, raw value. Quarterly data shown at end of each quarter. 2/ Net imports of green & processed coffee. 3/ Crop year July-June for flue-cured, Oct.-Sept. for burley. 4/ Taxable removals. — = not available.

Information contact: sugar, Peter Buzzanell (202) 219-0886, coffee, Fred Gray (202) 219-0888, tobacco, Verner Gries (202) 219-0890.

## World Agriculture

Table 23.—World Supply &amp; Utilization of Major Crops, Livestock &amp; Products

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92 P	1992/93 F
Million units							
<b>Wheat</b>							
Area (hectares)	228.2	219.9	217.5	225.9	231.9	221.3	221.4
Production (metric tons)	524.8	496.4	495.7	533.3	589.0	541.5	539.4
Exports (metric tons) 1/	90.7	107.2	97.3	97.2	94.5	106.7	99.8
Consumption (metric tons) 2/	518.8	525.8	526.2	530.4	566.8	554.3	541.8
Ending stocks (metric tons) 3/	177.6	148.4	118.0	120.9	743.6	130.8	128.3
<b>Coarse grains</b>							
Area (hectares)	335.1	323.0	323.2	320.9	314.2	319.4	320.8
Production (metric tons)	822.6	784.6	721.4	792.8	821.4	799.7	818.2
Exports (metric tons) 1/	83.7	84.0	96.2	102.0	87.9	95.5	88.9
Consumption (metric tons) 2/	796.1	805.7	788.0	818.7	809.2	808.7	804.0
Ending stocks (metric tons) 3/	234.7	213.8	149.1	123.2	136.1	129.0	143.2
<b>Rice, milled</b>							
Area (hectares)	145.3	141.9	145.6	147.0	147.1	145.8	147.1
Production (metric tons)	318.2	318.1	331.8	344.4	352.1	347.0	351.7
Exports (metric tons) 4/	12.9	11.9	15.1	12.0	12.5	13.4	13.3
Consumption (metric tons) 2/	322.2	321.5	329.5	337.7	347.7	352.5	354.4
Ending stocks (metric tons) 3/	51.4	46.0	48.3	55.0	59.4	53.9	51.3
<b>Total grains</b>							
Area (hectares)	708.6	684.8	686.3	693.8	693.1	688.3	689.1
Production (metric tons)	1,665.6	1,597.1	1,548.9	1,670.5	1,762.8	1,688.2	1,709.3
Exports (metric tons) 1/	187.3	203.1	208.8	211.2	194.9	215.8	202.0
Consumption (metric tons) 2/	1,634.9	1,652.8	1,641.7	1,686.8	1,723.5	1,713.5	1,700.2
Ending stocks (metric tons) 3/	463.7	408.0	315.4	299.1	339.1	313.7	322.8
<b>Oilseeds</b>							
Crush (metric tons)	161.8	168.4	164.2	171.6	177.2	183.2	184.8
Production (metric tons)	194.9	210.5	201.8	212.4	218.0	221.7	225.2
Exports (metric tons)	37.7	39.5	31.5	35.5	33.0	35.8	36.2
Ending stocks (metric tons)	23.3	24.0	22.0	23.3	22.8	22.2	22.7
<b>Meals</b>							
Production (metric tons)	110.7	115.4	111.0	116.9	119.6	123.7	124.7
Exports (metric tons)	36.7	35.8	37.4	38.5	39.5	40.0	39.8
<b>Oils</b>							
Production (metric tons)	50.4 <sup>4</sup>	53.3	53.3	57.1	58.2	60.1	60.7
Exports (metric tons)	18.9	17.5	18.1	19.8	20.2	20.2	20.2
<b>Cotton</b>							
Area (hectares)	29.2	30.8	33.7	31.5	33.0	34.6	33.7
Production (bales)	70.8	81.1	84.4	79.8	87.0	95.2	93.1
Exports (bales)	25.9	23.1	25.8	23.9	22.9	22.7	23.1
Consumption (bales)	82.8	84.1	85.3	88.7	85.6	85.5	88.1
Ending stocks (bales)	35.9	33.0	32.1	28.5	28.9	36.7	43.1
	1986	1987	1988	1989	1990	1991 P	1992 F
Million							
<b>Red meat</b>							
Production (metric tons)	109.8	112.8	116.5	117.9	120.0	119.1	118.8
Consumption (metric tons)	108.8	110.8	114.5	116.5	117.8	117.1	117.3
Exports (metric tons) 1/	6.6	8.7	7.1	7.2	7.3	7.7	7.7
<b>Poultry 5/</b>							
Production (metric tons)	30.1	31.3	32.9	34.2	36.0	37.5	39.0
Consumption (metric tons)	29.7	30.8	32.5	33.8	35.5	36.9	38.6
Exports (metric tons) 1/	1.3	1.5	1.7	1.8	2.1	2.2	2.3
<b>Dairy</b>							
Milk production (metric tons)	425.9	425.7	429.0	434.9	442.0	429.2	424.9

1/ Excludes intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years & do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1987 data correspond with 1986/87, etc. 5/ Poultry excludes the Peoples Republic of China before 1988. P = preliminary. F = forecast.

Information contacts: Crops, Carol Whitton (202) 219-0824; red meat & poultry, Linda Bailey (202) 219-1285; dairy, Sara Short (202) 219-0770.

## U.S. Agricultural Trade

Table 24.—Prices of Principal U.S. Agricultural Trade Products

	Annual			1991		1992				
	1989	1990	1991	June	Jan	Feb	Mar	Apr	May	June
<b>Export commodities</b>										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.65	3.72	3.52	3.29	4.65	4.83	4.83	4.36	4.09	4.04
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.85	2.79	2.75	2.66	2.79	2.91	2.97	2.79	2.80	2.81
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.70	2.65	2.69	2.51	2.86	2.98	3.06	2.79	2.75	2.70
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.06	6.24	6.05	6.03	6.00	6.08	6.19	6.05	6.26	6.36
Soybean oil, Decatur (cts./lb.)	20.21	22.75	20.14	19.55	18.81	18.65	19.58	18.84	20.06	20.68
Soybean meal, Decatur (\$/ton)	218.59	169.37	172.90	171.43	172.43	173.88	174.89	174.43	183.40	181.36
Cotton, 8—market avg. spot (cts./lb.)	63.78	71.25	69.69	79.05	51.53	50.76	52.01	54.97	55.45	58.82
Tobacco, avg. price at auction (cts./lb.)	166.81	170.57	179.23	186.07	175.95	174.92	195.50	162.04	162.04	162.04
Rice, f.o.b. mill, Houston (\$/cwt)	15.88	15.52	16.46	17.00	17.50	17.50	17.50	17.50	17.25	18.83
Inedible tallow, Chicago (cts./lb.)	14.71	13.54	13.26	12.36	12.25	12.63	12.68	13.25	13.75	13.98
<b>Import commodities</b>										
Coffee, N.Y. spot (\$/lb.)	1.04	0.81	0.71	0.71	0.57	0.51	0.53	0.49	0.47	0.46
Rubber, N.Y. spot (cts./lb.)	50.65	46.28	45.73	45.26	43.11	43.95	44.51	45.86	46.41	48.57
Cocoa beans, N.Y. (\$/lb.)	0.55	0.55	0.52	0.45	0.56	0.51	0.49	0.44	0.42	0.40

Information contact: Mary Teymourian (202) 219-0824.

Table 25.—Indexes of Real Trade-Weighted Dollar Exchange Rates <sup>1/</sup>

	1991					1992						
	Aug	Sept	Oct	Nov	Dec	Jan	Feb P	Mar P	Apr P	May P	June P	July P
	1985 = 100											
<b>Total U.S. trade 2/</b>	68.2	66.6	66.0	63.9	62.4	62.4	63.7	65.6	65.1	64.0	62.4	62.4
<b>Agricultural trade</b>												
U.S. markets	79.8	78.4	78.3	77.1	76.3	75.5	76.2	78.2	78.0	73.0	67.9	66.4
U.S. competitors	76.9	75.8	77.0	76.3	76.4	76.2	76.6	77.1	78.5	75.0	72.4	71.8
<b>Wheat</b>												
U.S. markets	98.1	96.3	97.4	96.8	96.8	95.4	95.8	100.6	100.4	89.4	75.6	72.9
U.S. competitors	71.1	70.3	69.9	69.4	69.5	70.0	71.2	71.5	70.9	71.1	70.6	70.8
<b>Soybeans</b>												
U.S. markets	68.8	67.4	66.7	65.0	63.7	63.1	63.7	65.8	65.6	63.5	62.0	61.7
U.S. competitors	54.8	54.1	56.0	56.3	57.4	57.1	51.0	57.7	67.4	56.5	56.7	56.8
<b>Corn</b>												
U.S. markets	73.7	72.3	71.3	70.1	69.4	68.3	69.0	70.7	70.5	63.3	60.6	58.4
U.S. competitors	64.3	62.8	62.5	61.3	60.6	60.2	60.8	61.4	60.6	60.0	59.1	58.9
<b>Cotton</b>												
U.S. markets	75.1	74.1	73.6	72.8	72.3	71.6	72.4	74.2	74.0	72.8	71.8	71.7
U.S. competitors	88.4	86.8	86.9	87.7	87.1	86.1	95.7	95.6	95.1	72.1	58.6	52.2

<sup>1/</sup> Real indexes adjust nominal exchange rates for differences in rates of inflation, to avoid the distortion caused by high-inflation countries. A higher value means the dollar has appreciated. See the October 1988 issue of Agricultural Outlook for a discussion of the calculations and the weights used. <sup>2/</sup> Federal Reserve Board Index of trade-weighted value of the U.S. dollar against 10 major currencies. Weights are based on relative importance in world financial markets. P = preliminary.

Information contact: Tim Baxter, David Stallings (202) 219-0718.

Table 26.—Trade Balance

	Fiscal year 1/								May
	1985	1986	1987	1988	1989	1990	1991	1992 F	1992
	\$ million								
<b>Exports</b>									
Agricultural	31,201	26,312	27,876	35,316	39,590	40,220	37,809	41,000	3,156
Nonagricultural	179,236	179,291	202,911	258,656	301,269	326,059	356,882	—	31,494
<b>Total 2/</b>	210,437	205,603	230,787	293,972	340,859	366,279	394,291	—	34,650
<b>Imports</b>									
Agricultural	19,740	20,884	20,650	21,014	21,476	22,560	22,588	23,000	1,988
Nonagricultural	313,722	342,846	367,374	409,138	441,075	458,101	463,720	—	39,461
<b>Total 3/</b>	333,462	363,730	388,024	430,152	462,551	480,661	486,308	—	41,449
<b>Trade balance</b>									
Agricultural	11,461	5,428	7,226	14,302	18,114	17,660	15,021	18,000	1,168
Nonagricultural	-134,486	-183,555	-164,463	-150,482	-139,806	-132,042	-107,038	—	-7,967
<b>Total</b>	-123,025	-158,127	-157,237	-136,180	-121,692	-114,382	-92,017	—	-6,799

<sup>1/</sup> Fiscal years begin October 1 & end September 30. Fiscal year 1991 began Oct. 1, 1990 & ended Sept. 30, 1991. <sup>2/</sup> Domestic exports including Department of Defense shipments (F.A.S. value). <sup>3/</sup> Imports for consumption (customs value). F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822.

Table 27.—U.S. Agricultural Exports &amp; Imports

	Fiscal year*			May	Fiscal year*			May
	1990	1991	1992 F	1992	1990	1991	1992 F	1992
EXPORTS	1,000 units				\$ million			
Animals, live (no.) 1/	685	1,235	—	99	361	546	—	39
Meats & preps., excl. poultry (mt)	873	937	2/ 900	88	2,457	2,774	—	272
Dairy products (mt) 1/	105	43	—	10	358	293	600	54
Poultry meats (mt)	563	628	700	62	679	737	—	72
Fats, oils, & greases (mt)	1,265	1,169	1,300	132	459	419	—	46
Hides & skins incl. furskins	—	—	—	—	1,794	1,453	—	110
Cattle hides, whole (no.) 1/	23,920	21,808	—	1,606	1,412	1,193	—	86
Mink pelts (no.) 1/	5,128	3,941	—	559	118	74	—	10
Grains & feeds (mt)	112,925	100,016	—	6,624	15,698	12,206	3/ 13,500	988
Wheat (mt)	28,068	26,708	34,500	1,827	4,212	2,857	4/ 4,400	234
Wheat flour (mt)	851	1,076	900	91	198	202	—	18
Rice (mt)	2,491	2,401	2,100	238	830	749	700	79
Feed grains, incl. products (mt)	69,384	52,337	48,200	3,458	8,094	5,789	5,400	411
Feeds & fodders (mt)	11,153	16,389	5/ 11,800	1,086	1,828	1,914	—	177
Other grain products (mt)	978	1,105	—	126	536	695	—	68
Fruits, nuts, & preps. (mt)	2,872	2,849	—	293	2,788	3,038	—	292
Fruit juices incl.	—	—	—	—	—	—	—	—
(roz. 1,000 hectoliters) 1/	5,975	6,310	—	708	328	338	—	41
Vegetables & preps. (mt)	2,243	2,589	—	272	2,079	2,597	—	250
Tobacco, unmanufactured (mt)	218	239	200	23	1,359	1,533	1,500	150
Cotton, excl. linters (mt)	1,666	1,565	1,600	123	2,704	2,605	2,300	170
Seeds (mt)	556	514	—	50	573	818	700	28
Sugar, cane or beet (mt)	447	589	—	37	187	219	—	11
Oilseeds & products (mt)	23,745	21,976	—	1,439	8,099	5,607	7,200	386
Oilseeds (mt)	17,669	15,633	—	809	4,239	3,811	—	204
Soybeans (mt)	17,229	15,139	18,800	770	3,942	3,465	4,200	176
Protein meal (mt)	4,780	5,292	—	507	1,032	1,073	—	105
Vegetable oils (mt)	1,296	1,051	—	123	829	723	—	78
Essential oils (mt)	14	13	—	1	182	183	—	16
Other	91	92	—	9	2,115	2,441	—	232
Total	147,583	133,219	140,000	9,183	40,220	37,609	41,000	3,156
IMPORTS								
Animals, live (no.) 1/	2,938	3,168	—	212	1,053	1,131	1,200	100
Meats & preps., excl. poultry (mt)	1,142	1,191	—	110	2,848	3,016	—	251
Beef & veal (mt)	754	811	722	81	1,842	2,024	2,100	188
Pork (mt)	340	322	340	23	888	866	800	53
Dairy products (mt) 1/	255	231	—	18	951	807	800	66
Poultry & products 1/	—	—	—	—	129	119	—	9
Fats, oils, & greases (mt)	19	33	—	4	15	19	—	2
Hides & skins, incl. furskins 1/	—	—	—	—	182	153	—	16
Wool, unmanufactured (mt)	47	50	—	5	187	175	—	17
Grains & feeds (mt)	3,481	4,163	4,650	471	1,181	1,271	1,300	120
Fruits, nuts, & preps., excl. juices (mt)	5,331	5,648	5,660	564	2,488	2,740	—	280
Bananas & plantains (mt)	3,236	3,397	3,400	313	928	992	1,100	96
Fruit juices (1,000 hectoliters) 1/	33,933	27,948	30,000	2,155	1,002	737	—	77
Vegetables & preps. (mt)	2,243	2,180	—	155	2,264	2,185	2,200	172
Tobacco, unmanufactured (mt)	193	215	220	25	588	698	800	85
Cotton, unmanufactured (mt)	30	18	—	1	20	16	—	1
Seeds (mt)	171	169	150	11	164	173	200	17
Nursery stock & cut flowers 1/	—	—	—	—	519	538	—	48
Sugar, cane or beet (mt)	1,769	1,785	—	85	734	717	—	33
Oilseeds & products (mt)	2,016	2,077	—	177	964	959	1,100	87
Oilseeds (mt)	534	445	—	35	206	151	—	11
Protein meal (mt)	310	412	—	41	48	57	—	6
Vegetable oils (mt)	1,171	1,220	—	100	710	750	—	70
Beverages excl. fruit juices (1,000 hectoliters) 1/	13,543	12,987	—	1,305	1,867	1,858	—	180
Coffee, tea, cocoa, spices	2,202	2,025	2,250	172	3,465	3,280	—	235
Coffee, incl. products (mt)	1,290	1,116	1,250	96	1,997	1,831	1,800	127
Cocoa beans & products (mt)	698	680	790	50	1,042	1,005	1,100	68
Rubber & allied gums (mt)	840	792	890	81	712	664	700	66
Other	—	—	—	—	1,229	1,332	—	129
Total	—	—	—	—	22,560	22,588	23,000	1,988

\*Fiscal years begin Oct. 1 and Sept. 30. Fiscal year 1991 began Oct. 1, 1990 & ended Sept. 30, 1991. 1/ Not included in total volume and also other dairy products for 1989 & 1990. 2/ Forecasts for footnoted items 2/-6/ are based on slightly different groups of commodities. Fiscal 1990 exports of categories used in the 1991 forecasts were 2/ 676,000 m. tons. 3/ 16,014 million. 4/ 4,426 million i.e. includes flour. 5/ 11,065 million m. tons. 6/ Less than \$500. F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822.

For more on FDI, Investment and ODA go to <http://www.CPIA.org>

Table 28.—U.S. Agricultural Exports by Region

Region & country	Fiscal year*			May	Change from year* earlier			May
	1990	1991	1992 F	1992	1990	1991	1992 F	1992
	\$ million			Percent				
WESTERN EUROPE	7,309	7,312	7,600	488	4	0	4	4
European Community (EC-12)	6,815	6,776	7,100	447	4	-1	4	5
Belgium-Luxembourg	426	464	—	34	-1	9	—	-21
France	469	571	—	34	-1	22	—	41
Germany	1,096	1,135	—	92	17	4	—	61
Italy	702	675	—	42	15	-4	—	-12
Netherlands	1,636	1,561	—	86	-11	-5	—	-30
United Kingdom	760	883	—	70	3	16	—	21
Portugal	338	251	—	11	10	-26	—	-23
Spain, incl. Canary Islands	976	855	—	48	15	-12	—	24
Other Western Europe	493	536	500	39	-3	9	0	-10
Switzerland	171	184	—	14	3	13	—	-27
EASTERN EUROPE	533	308	200	11	35	-43	-33	-17
Poland	101	46	—	5	124	-54	—	22
Yugoslavia	129	74	—	2	69	-43	—	-72
Romania	210	82	—	0	239	-61	—	194
Former USSR	3,006	1,758	2,700	139	-9	-42	50	97
ASIA	18,174	16,084	17,400	1,375	-3	-11	8	-5
West Asia (Mideast)	1,996	1,430	1,700	139	-12	-28	21	-2
Turkey	260	224	—	44	9	-14	—	-7
Iraq	497	0	0	0	-37	-100	0	0
Israel, incl. Gaza & W. Bank	285	287	—	24	-14	1	—	-34
Saudi Arabia	502	536	600	31	4	7	20	-5
South Asia	723	375	—	20	-38	-48	—	158
Bangladesh	120	67	—	14	-44	-44	—	2,054
India	116	95	—	6	-52	-18	—	5
Pakistan	391	144	200	1	-35	-63	100	-53
China	909	668	900	59	-39	-27	29	-20
Japan	8,155	7,736	8,100	684	0	-5	5	-5
Southeast Asia	1,184	1,239	—	97	21	5	—	11
Indonesia	277	279	—	22	28	1	—	18
Philippines	351	373	400	31	2	6	0	30
Other East Asia	5,206	4,648	4,900	376	13	-11	7	-8
Taiwan	1,819	1,739	1,900	168	14	-4	12	7
Korea, Rep.	2,701	2,159	2,200	140	10	-20	5	1
Hong Kong	685	745	800	67	19	9	14	-24
AFRICA	2,011	1,884	1,900	144	-12	-6	0	-2
North Africa	1,527	1,388	1,200	82	-15	-9	-14	-23
Morocco	164	129	—	8	-24	-21	—	-23
Algeria	491	479	500	50	-11	-2	0	39
Egypt	783	692	600	24	-20	-9	-14	-49
Sub-Saharan	484	496	700	62	0	2	40	52
Nigeria	32	44	—	7	7	37	—	93
Rep. S. Africa	81	74	—	30	43	-9	—	167
LATIN AMERICA & CARIBBEAN	5,155	5,500	6,100	542	-5	7	4	10
Brazil	105	271	200	5	-30	159	-33	-62
Caribbean Islands	1,008	1,010	—	65	0	0	—	-31
Central America	483	497	—	47	3	7	—	-2
Colombia	147	124	—	15	6	-16	—	-13
Mexico	2,666	2,884	3,400	344	-3	8	17	32
Peru	187	150	—	11	132	-20	—	-20
Venezuela	345	307	400	34	-41	-11	33	22
CANADA	3,715	4,409	4,700	426	70	19	7	-1
OCEANIA	317	346	400	33	18	9	33	19
TOTAL	40,220	37,609	41,000	3,156	2	-6	9	2
Developed countries	19,805	20,104	21,200	1,677	10	2	6	-1
Developing countries	15,966	14,769	16,000	1,420	-3	-7	9	7
Other countries	4,448	2,736	3,800	59	-15	-38	41	-20

\* Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1991 began Oct. 1, 1990 & ended Sept. 30, 1991. F = forecast. — = not available.  
 Note: Adjusted for transshipments through Canada.

Information contact: Stephen MacDonald (202) 219-0822.

## Farm Income

Table 29.—Farm Income Statistics

	Calendar year										
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991 F	1992 F
	\$ billion										
1. Farm receipts	147.8	141.9	147.7	150.1	140.2	148.3	157.3	168.6	175.8	175	170 to 177
Crops (incl. net CCC loans)	72.3	67.2	69.9	74.3	63.7	65.8	71.6	76.8	80.4	82	81 to 84
Livestock	70.3	69.6	72.9	69.8	71.6	76.0	79.4	84.1	89.6	88	83 to 85
Farm related 1/	5.2	5.1	4.9	6.0	5.7	6.6	6.3	8.1	6.7	7	6 to 8
2. Direct Government payments	3.5	9.3	8.4	7.7	11.8	18.7	14.5	10.9	9.3	8	8 to 9
Cash Payments	3.5	4.1	4.0	7.6	8.1	6.6	7.1	9.1	8.4	8	8 to 9
Value of PIK commodities	0.0	5.2	4.5	0.1	3.7	10.1	7.4	1.7	0.9	0	0 to 1
3. Gross cash income (1+2) 2/	151.3	151.1	156.1	157.9	152.8	165.1	171.9	179.9	185.0	183	179 to 186
4. Nonmoney income 3/	14.3	13.6	5.9	6.6	6.5	6.8	6.1	6.1	6.3	6	5 to 7
5. Value of inventory change	-1.4	-10.9	6.0	-2.3	-2.2	-2.3	-3.5	4.3	2.9	-1	1 to 4
6. Total gross farm income (3+4+5)	164.1	153.9	168.0	161.2	156.1	168.4	174.5	190.3	195.1	188	187 to 194
7. Cash expenses 4/	113.2	112.8	118.7	110.7	105.0	109.8	114.6	120.5	124.2	125	125 to 130
8. Total expenses	140.3	139.6	141.9	132.4	125.1	128.7	133.9	140.2	144.3	146	146 to 151
9. Net cash income (4-7)	38.1	38.4	37.4	47.1	47.8	55.3	57.4	59.4	61.8	58	51 to 58
10. Net farm income (3-8)	23.8	14.2	26.1	28.8	31.0	39.7	40.6	50.1	50.8	42	37 to 45
Deflated (1987\$)	28.5	16.3	28.7	30.6	32.0	39.7	39.1	48.2	45.0	36	31 to 38

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. Total may not add because of rounding. F = forecast.

Information contact: Robert McElroy (202) 219-0800.

Table 30.—Balance Sheet of the U.S. Farming Sector

	Calendar year 1/										
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991 F	1992 F
	\$ billion										
<b>Assets</b>											
Real estate	750.0	753.4	681.7	586.1	542.2	578.9	595.5	615.1	620	622	620 to 630
Non-real estate	195.6	191.9	196.9	187.4	182.3	193.9	205.6	214.6	222.0	224	221 to 231
Livestock & poultry	53.0	49.5	49.5	46.3	47.8	58.0	62.2	66.2	70.9	68	70 to 74
Machinery & motor vehicles	86.0	85.8	85.0	82.9	81.5	80.0	82.0	85.6	87.4	89	88 to 92
Crops stored 2/	26.4	24.4	26.3	22.9	16.6	17.8	22.7	23.3	22.4	23	20 to 24
Purchased inputs	—	—	2.0	1.2	2.1	3.0	3.3	2.7	2.8	3	2 to 4
Financial assets	29.7	30.9	32.6	33.3	34.5	35.1	35.4	36.6	38.5	40	39 to 43
Total farm assets	945.1	944.0	857.1	772.6	724.6	772.8	801.1	829.7	850.0	846	845 to 855
<b>Liabilities</b>											
Real estate debt 3/	101.8	103.2	106.7	100.1	90.4	82.4	77.6	75.3	73.4	75	73 to 77
Non-real estate debt 4/	87.0	87.9	87.1	77.5	66.6	62.0	61.7	61.8	63.1	64	63 to 67
Total farm debt	188.8	191.1	193.8	177.6	157.0	144.4	139.4	137.1	136.5	139	137 to 143
Total farm equity	756.3	752.9	663.3	595.0	567.6	628.4	661.7	692.6	713.5	707	710 to 720
	Percent										
<b>Selected ratios</b>											
Debt-to-assets	20.0	20.2	22.6	23.0	21.7	18.7	17.4	16.5	16.1	16	16 to 17
Debt-to-equity	25.0	25.4	29.2	29.8	27.7	23.0	21.1	19.8	19.1	20	19 to 20
Debt-to-net cash income	496	498	618	377	328	261	243	231	221	241	250 to 260

1/ As of Dec. 31. 2/ Non-COC crops held on farms plus value above loan rates for crops held under COC. 3/ Excludes debt on operator dwellings, but includes COC storage and drying facilities loans. 4/ Excludes debt for nonfarm purposes. F = forecast.

Information contacts: Ken Erickson or Jim Ryan (202) 219-0798.

Table 31.—Cash Receipts From Farm Marketings, by State

Region & State	Livestock & products				Crops 1/				Total 1/			
	1990	1991	Apr 1992	May 1992	1990	1991	Apr 1992	May 1992	1990	1991	Apr 1992	May 1992
	\$ million 2/											
<b>NORTH ATLANTIC</b>												
Maine	220	215	19	20	240	203	23	13	460	418	42	33
New Hampshire	63	63	5	6	71	70	8	8	134	133	14	11
Vermont	398	365	33	35	49	51	11	7	447	416	45	42
Massachusetts	116	116	10	11	303	337	21	19	416	453	32	30
Rhode Island	13	13	1	1	58	58	6	5	71	71	7	6
Connecticut	196	193	14	15	250	253	24	18	446	446	38	33
New York	1,983	1,766	153	164	1,023	1,067	87	74	3,006	2,833	241	238
New Jersey	196	199	16	17	452	464	37	34	647	663	53	51
Pennsylvania	2,714	2,478	223	239	1,053	1,009	88	74	3,767	3,487	311	313
<b>NORTH CENTRAL</b>												
Ohio	1,836	1,662	131	140	2,335	2,265	135	81	4,172	3,946	266	221
Indiana	2,060	1,892	137	155	2,871	2,566	182	87	4,931	4,488	319	242
Illinois	2,477	2,288	164	183	5,461	5,198	386	246	7,938	7,486	550	428
Michigan	1,398	1,277	100	109	1,785	1,787	133	96	3,183	3,064	233	204
Wisconsin	4,581	4,162	350	385	1,125	1,175	69	64	5,706	5,337	419	449
Minnesota	3,758	3,485	285	299	3,253	3,386	232	251	7,011	6,871	517	650
Iowa	5,882	5,502	449	446	4,437	4,539	350	243	10,319	10,040	798	690
Missouri	2,271	2,155	175	149	1,668	1,673	94	61	3,939	3,828	269	210
North Dakota	813	803	43	38	1,724	1,919	109	91	2,537	2,722	152	129
South Dakota	2,313	2,239	161	144	1,036	1,088	91	70	3,349	3,327	251	214
Nebraska	6,037	5,950	362	434	2,808	2,951	209	128	8,845	8,901	571	581
Kansas	4,896	4,731	405	422	2,099	2,123	117	61	6,995	6,854	522	503
<b>SOUTHERN</b>												
Delaware	460	431	36	45	184	175	11	9	644	605	47	54
Maryland	828	785	65	73	517	509	52	36	1,345	1,295	117	109
Virginia	1,379	1,352	121	107	741	726	29	25	2,120	2,078	150	132
West Virginia	269	267	22	19	70	74	3	2	338	342	24	22
North Carolina	2,653	2,544	206	210	2,214	2,272	79	62	4,867	4,816	285	293
South Carolina	577	558	45	43	599	674	25	28	1,176	1,231	70	89
Georgia	2,268	2,064	153	179	1,574	1,828	72	68	3,842	3,892	224	247
Florida	1,260	1,200	86	92	4,448	4,836	663	559	5,708	6,036	749	651
Kentucky	1,698	1,632	100	89	1,400	1,480	32	24	3,098	3,112	132	113
Tennessee	1,111	1,051	79	73	928	970	34	26	2,039	2,021	113	100
Alabama	2,083	2,010	161	175	655	753	41	32	2,737	2,763	203	207
Mississippi	1,322	1,291	93	103	1,111	1,191	47	37	2,433	2,482	139	140
Arkansas	2,706	2,575	198	215	1,553	1,836	52	33	4,259	4,410	249	249
Louisiana	637	617	47	46	1,284	1,261	32	24	1,921	1,879	78	73
Oklahoma	2,383	2,382	226	342	1,191	1,049	51	51	3,554	3,431	277	393
Texas	7,712	7,693	607	619	4,268	4,496	211	210	11,981	12,189	819	829
<b>WESTERN</b>												
Montana	864	854	35	53	742	746	58	36	1,606	1,600	93	89
Idaho	1,154	1,099	87	90	1,781	1,568	97	66	2,935	2,665	184	156
Wyoming	610	616	35	40	157	162	5	6	767	777	40	46
Colorado	3,029	2,906	223	222	1,184	1,099	67	59	4,213	4,005	290	280
New Mexico	1,046	1,026	78	72	483	477	18	30	1,529	1,503	96	102
Arizona	819	823	64	77	1,046	1,206	51	90	1,865	2,029	114	167
Utah	576	555	43	44	179	167	19	7	755	722	62	51
Nevada	218	218	16	18	115	93	7	4	333	311	24	22
Washington	1,396	1,318	111	124	2,420	2,698	216	167	3,816	4,016	326	291
Oregon	755	751	60	55	1,557	1,546	86	68	2,312	2,297	147	124
California	5,515	5,474	374	487	13,344	13,370	864	904	18,859	18,843	1,239	1,390
Alaska	8	8	1	1	19	19	1	1	27	27	2	2
Hawaii	88	89	7	8	499	489	41	42	588	578	48	50
<b>UNITED STATES</b>	<b>89,623</b>	<b>85,742</b>	<b>6,615</b>	<b>7,134</b>	<b>80,364</b>	<b>82,002</b>	<b>5,376</b>	<b>4,472</b>	<b>69,987</b>	<b>167,743</b>	<b>11,991</b>	<b>11,606</b>

1/ Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. 2/ Estimates as of end of current month. Totals may not add because of rounding.

Information contact: Roger Strickland (202) 219-0806.

Table 32.—Cash Receipts From Farming

	Annual						1991	1992				
	1986	1987	1988	1989	1990	1991	May	Jan	Feb	Mar	Apr	May
	\$ million											
Farm marketings & CCC loans*	135,303	141,759	151,082	160,893	169,987	167,743	11,929	14,721	11,486	12,187	11,991	11,608
Livestock & products	71,553	75,994	79,437	84,131	89,823	85,742	6,857	7,029	6,714	7,084	6,615	7,134
Meat animals	39,081	44,478	46,492	46,857	51,877	50,326	3,896	4,069	4,053	4,191	3,770	3,997
Dairy products	17,724	17,727	17,841	19,398	20,199	18,321	1,567	1,608	1,487	1,581	1,588	1,727
Poultry & eggs	12,701	11,516	12,868	15,372	15,270	14,641	1,225	1,160	1,012	1,133	1,087	1,235
Other	2,048	2,274	2,438	2,507	2,477	2,455	169	193	162	179	169	174
Crops	63,749	65,764	71,845	76,761	80,384	82,002	5,071	7,692	4,772	6,103	6,376	4,472
Food grains	5,741	6,776	7,467	8,247	7,876	7,260	306	789	554	607	392	359
Feed crops	16,911	14,576	14,298	17,061	18,116	19,278	902	2,388	1,243	1,157	1,250	848
Cotton (lint & seed)	3,371	4,189	4,546	6,040	5,234	6,006	158	804	212	105	103	68
Tobacco	1,894	1,816	2,083	2,415	2,736	2,898	0	452	38	8	10	0
Oil-bearing crops	10,814	11,283	13,500	11,866	12,403	12,597	523	1,165	763	567	745	576
Vegetables & melons	8,865	9,902	9,787	11,461	11,533	11,799	1,702	789	653	1,123	1,050	1,159
Fruits & tree nuts	7,252	8,082	9,204	9,257	9,306	9,856	469	551	522	520	452	422
Other	9,101	10,161	10,780	11,415	12,160	12,308	1,012	795	787	1,084	1,374	1,041
Government payments	11,813	19,747	14,480	10,887	9,298	8,214	1,065	72	822	1,580	1,722	729
Total	147,116	158,506	165,562	171,780	179,285	175,957	12,994	14,793	12,308	13,767	13,713	12,335

\* Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period.

Information contact: Roger Strickland (202) 219-0806.

Table 33.—Farm Production Expenses

	Calendar year									
	1983	1984	1985	1986	1987	1988	1989	1990	1991 F	1992 F
	\$ million									
Feed purchased	20,573	19,383	16,949	17,472	17,483	20,393	21,002	20,727	20,000	18,000 to 22,000
Livestock purchased	8,818	9,487	9,184	9,758	11,842	12,764	13,138	14,737	14,000	12,000 to 14,000
Seed purchased	2,690	3,388	3,128	3,188	3,259	3,359	3,558	3,582	4,000	3,000 to 5,000
Farm-origin inputs	32,081	32,256	29,261	30,418	32,564	36,515	37,698	39,048	38,000	36,000 to 41,000
Fertilizer & lime	7,055	8,361	7,513	8,820	6,453	6,947	7,249	7,137	7,000	6,000 to 8,000
Fuels & oils	7,211	7,296	6,436	5,310	4,957	5,091	4,983	6,951	6,000	5,000 to 7,000
Electricity	1,982	2,060	1,878	1,795	2,158	2,278	1,990	1,944	2,000	1,000 to 3,000
Pesticides	3,670	4,688	4,334	4,324	4,512	4,577	5,437	5,727	6,000	5,000 to 7,000
Manufactured inputs	20,118	22,404	20,160	18,249	18,077	18,893	19,659	20,759	21,000	20,000 to 23,000
Short-term interest	10,815	10,396	8,735	7,367	6,767	6,797	6,910	6,895	7,000	6,000 to 8,000
Real estate interest 1/	10,815	10,733	9,878	9,131	8,187	7,885	7,781	7,667	7,000	6,000 to 8,000
Total interest charges	21,430	21,129	18,613	16,498	14,954	14,682	14,691	14,472	14,000	13,000 to 16,000
Repair & maintenance 1/ 2/	5,529	6,418	6,370	6,426	8,761	6,800	7,272	7,283	8,000	7,000 to 9,000
Contract & hired labor	8,938	9,427	10,008	9,484	9,675	10,441	11,110	12,543	14,000	13,000 to 17,000
Machine hire & custom work	2,213	2,566	2,354	2,099	2,105	2,350	2,674	2,634	3,000	2,000 to 4,000
Marketing, storage, & transportation	3,904	4,012	4,127	3,652	4,078	3,450	4,080	3,972	4,000	3,000 to 5,000
Misc. operating expenses 1/	10,961	10,331	10,010	9,769	11,327	11,404	12,446	12,236	11,000	10,000 to 14,000
Other operating expenses	32,545	32,751	32,868	31,420	34,246	34,445	37,582	38,669	41,000	41,000 to 46,000
Capital consumption 1/	23,758	20,847	19,299	17,788	16,740	17,075	17,553	17,545	18,000	17,000 to 19,000
Taxes 1/	4,485	4,337	4,542	4,612	4,853	4,848	5,127	5,623	6,000	5,000 to 7,000
Net rent to nonoperator landlord	5,211	8,150	7,690	8,099	7,304	7,445	7,911	8,177	8,000	7,000 to 9,000
Other overhead expenses	33,434	33,334	31,531	28,499	28,897	29,367	30,590	31,345	32,000	30,000 to 35,000
Total production expenses	139,608	141,873	132,433	125,084	128,737	133,902	140,219	144,291	146,000	146,000 to 151,000

1/ Includes operator dwellings. 2/ Beginning in 1982, miscellaneous operating expenses include other livestock purchases & dairy assessments. Totals may not add because of rounding. F = forecast.

Information contacts: Chris McGath (202) 219-0804, Robert McElroy (202) 219-0800.

Table 34.—CCC Net Outlays by Commodity &amp; Function

COMMODITY/PROGRAM	Fiscal year									
	1984	1985	1986	1987	1988	1989	1990	1991	1992 E	1993 E
	\$ million									
<b>COMMODITY/PROGRAM</b>										
Feed grains										
Corn	-934	4,403	10,524	12,348	8,227	2,883	2,450	2,387	1,949	4,165
Grain sorghum	78	463	1,185	1,203	764	467	381	243	187	381
Barley	89	336	471	394	57	45	-93	71	174	167
Oats	5	2	28	17	-2	1	-5	12	33	32
Corn & oat products	8	7	5	7	7	8	8	9	9	8
Total feed grains	-758	5,211	12,211	13,967	9,053	3,384	2,721	2,722	2,352	4,733
Wheat & products	2,538	4,691	3,440	2,836	678	53	806	2,958	1,808	1,751
Rice	333	890	947	908	128	631	667	867	698	736
Upland cotton	244	1,553	2,142	1,786	666	1,461	-79	382	1,271	1,893
Tobacco	346	455	253	-346	-453	-367	-307	-143	-32	38
Dairy	1,502	2,085	2,337	1,166	1,295	679	505	839	199	131
Soybeans	-585	711	1,597	-476	-1,676	-86	5	40	8	-20
Peanuts	1	12	32	8	7	13	1	48	83	35
Sugar	10	184	214	-65	-246	-25	15	-20	-27	-28
Honey	90	81	89	73	100	42	47	19	21	14
Wool	132	109	123	152	1/ 5	93	104	172	182	183
Operating expense 3/	362	348	457	535	614	620	618	625	7	7
Interest expenditure	1,064	1,435	1,411	1,219	425	98	632	745	675	271
Export programs 4/	743	134	102	276	200	-102	-34	733	1,969	1,982
1988/89 Disaster/										
livestock assistance	0	0	0	0	0	3,919	2/ 161	121	1,086	0
Other	1,295	-314	486	371	1,665	110	609	2	466	1,368
<b>Total</b>	<b>7,315</b>	<b>17,683</b>	<b>25,841</b>	<b>22,408</b>	<b>12,461</b>	<b>10,523</b>	<b>6,471</b>	<b>10,110</b>	<b>10,564</b>	<b>13,094</b>
<b>FUNCTION</b>										
Price-support loans (net)	-27	6,272	13,628	12,199	4,579	-926	-399	418	541	1,066
Cash direct payments 5/										
Deficiency	612	6,302	6,166	4,833	3,971	5,798	4,178	6,224	5,118	7,718
Diversion	1,504	1,525	64	382	8	-1	0	0	0	0
Dairy termination	0	0	489	587	260	168	189	96	13	0
Other	0	0	27	60	0	42	3	21	327	419
Disaster	1	0	0	0	6	4	0	0	0	0
Total direct payments	2,117	7,827	6,746	5,862	4,245	6,011	4,370	6,341	5,458	8,137
1988/91 crop disaster	0	0	0	0	0	3,386	2/ 5	6	996	0
Emergency livestock/										
forage assistance	0	0	0	0	31	533	156	115	90	0
Purchases (net)	1,470	1,331	1,670	-479	-1,131	116	-48	646	220	199
Producer storage										
payments	268	329	485	832	658	174	185	1	26	24
Processing, storage,										
& transportation	639	657	1,013	1,859	1,113	659	317	394	192	128
Operating expense 3/	362	348	457	535	614	620	618	625	7	7
Interest expenditure	1,064	1,435	1,411	1,219	425	98	632	745	675	271
Export programs 4/	743	134	102	276	200	-102	-34	733	1,969	1,982
Other	679	-648	329	305	1,727	-46	669	86	390	1,280
<b>Total</b>	<b>7,315</b>	<b>17,683</b>	<b>25,841</b>	<b>22,408</b>	<b>12,461</b>	<b>10,523</b>	<b>6,471</b>	<b>10,110</b>	<b>10,564</b>	<b>13,094</b>

1/ Fiscal 1988 wool & mohair program outlays were \$130,635,000 but include a one-time advance appropriation of \$126,108,000, which was recorded as a wool program receipt by Treasury. 2/ Approximately \$1.5 billion in benefits to farmers under the Disaster Assistance Act of 1989 were paid in generic certificates & were not recorded directly as disaster assistance outlays. 3/ Does not include CCC Transfers to General Sales Manager. 4/ Includes Export Guarantee Program, Direct Export Credit Program, CCC Transfers to the General Sales Manager, Market Promotion Program, starting in fiscal 1991 & starting in fiscal 1992 the Export Guarantee Program - Credit Reform, Export Enhancement Program, & Dairy Export Incentive Program. 5/ Includes cash payments only. Excludes payment-in-kind in fiscal 83-85 & generic certificates in fiscal 86-92. E = Estimated in the fiscal 1993 Mid-Session Review Budget based on June, 1992 supply & demand estimates. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

Information contact: Richard Pazdalski (202) 720-5148.

## Food Expenditures

**Table 35.—Food Expenditures Estimates**

	Annual			1992			1992 year-to-date		
	1989	1990	1991	May	June P	July P	May	June P	July P
\$ billion									
Sales 1/									
Off-premise use 2/	274.3	298.7	304.0	28.5	25.8	27.0	125.5	151.3	178.2
Meals & snacks 3/	206.3	218.7	227.0	20.3	19.7	20.5	94.9	114.6	135.1
1991 \$ billion									
Sales 1/									
Off-premise use 2/	299.9	304.2	304.0	28.5	25.7	26.2	124.6	150.3	177.3
Meals & snacks 3/	223.3	228.0	226.9	19.9	19.3	20.1	93.4	112.7	132.8
Percent change from year earlier (\$ bil.)									
Sales 1/									
Off-premise use 2/	7.1	8.2	2.5	-0.9	-0.8	2.6	1.7	1.3	1.5
Meals & snacks 3/	5.5	6.0	3.8	1.8	-2.2	1.7	4.8	3.5	3.2
Percent change from year earlier (1991 \$ bil.)									
Sales 1/									
Off-premise use 2/	0.6	1.4	-0.1	-0.4	0.2	2.9	1.4	1.2	1.5
Meals & snacks 3/	0.8	1.2	0.4	-0.3	-4.2	0.0	2.3	1.1	0.9

1/ Food only (excludes alcoholic beverages). Not seasonally adjusted. 2/ Excludes donations & home production. 3/ Excludes donations, child nutrition subsidies, & meals furnished to employees, patients, & inmates. P = preliminary.

NOTE: This table differs from Personal Consumption Expenditures (PCE), table 2, for several reasons: (1) this series includes only food not alcoholic beverages & pet food which are included in PCE; (2) this series is not seasonally adjusted, whereas PCE is seasonally adjusted at annual rates; (3) this series reports sales only, but PCE includes food produced & consumed on farms & food furnished to employees; (4) this series includes all sales of meals & snacks. PCE includes only purchases using personal funds, excluding business travel & entertainment. For a more complete discussion of the differences, see "Developing an Integrated Information System for the Food Sector," Agr.-Econ. Rpt. No. 575, Aug 1987.

Information contact: Alden Manchester (202) 219-0880.

## Transportation

**Table 36.—Rail Rates; Grain & Fruit-Vegetable Shipments**

	Annual			1991	1992					
	1989	1990	1991	June	Jan	Feb	Mar	Apr	May	June
Rail freight rate index 1/ (Dec. 1984=100)										
All products	106.4	107.5	109.3	109.5	109.5	109.9	109.8	109.9 P	109.7 P	109.6 P
Farm products	108.4	110.4	111.4	110.8	111.1	111.2	110.3	110.5 P	110.3 P	110.3 P
Grain	108.7	110.1	111.2	109.9	111.4	111.6	110.2	110.5 P	110.2 P	110.4 P
Food products	103.9	105.4	108.1	108.2	108.6	109.0	109.3	109.4 P	109.4 P	109.4 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	28.4	27.6	26.4	24.5	29.0 P	29.9 P	30.0 P	26.6 P	21.1 P	23.7 P
Barge shipments (mil. ton) 3/	3.3	3.8	3.3	3.6	1.8	2.0	3.4	3.8	4.1	4.1
Fresh fruit & vegetable shipments 4/ 5/										
Piggy back (mil. cwt)	2.2	1.8	1.5	2.2	1.5	1.4	1.5	1.8	2.3	1.9
Rail (mil. cwt)	2.6	2.3	2.1	3.0	3.1	2.7	2.7	2.8	3.5	3.7
Truck (mil. cwt)	42.3	41.5	41.9	45.7	41.4	41.5	44.8	50.8	65.7	51.2
Cost of operating trucks hauling produce 4/										
Fleet operation (cts./mile)	123.4	130.5	126.5	124.6	122.6	122.7	122.8	123.3	123.8	124.4

1/ Department of Labor, Bureau of Labor Statistics. 2/ Weekly average; from Association of American Railroads. 3/ Shipments on Illinois & Mississippi waterways. U.S. Corps of Engineers. 4/ Agricultural Marketing Service, USDA. 5/ Preliminary data for 1992. P = preliminary.

Information contact: T.Q. Hutchinson (202) 219-0840.

## Indicators of Farm Productivity

Table 37.—Indexes of Farm Production, Input Use & Productivity <sup>1/</sup>

	1982	1983	1984	1985	1986	1987	1988	1989	1990 2/	1991 2/
1977=100										
Farm output	116	96	112	118	111	110	102	114	119	120
All livestock products 3/	107	109	107	110	110	113	115	116	118	119
Meat animals	101	104	101	102	100	102	105	105	104	104
Dairy products	110	114	110	117	116	118	118	117	120	121
Poultry & eggs	119	120	123	128	133	144	148	153	162	168
All crops 4/	117	88	111	118	109	108	92	107	114	111
Feed grains	122	87	118	134	123	108	73	108	112	106
Hay & forage	109	100	107	106	106	102	89	101	102	103
Food grains	138	117	129	121	107	107	98	107	136	104
Sugar crops	96	93	95	97	106	111	105	105	107	112
Cotton	85	55	91	94	69	103	107	86	109	122
Tobacco	104	75	90	81	63	62	72	71	84	87
Oil crops	121	91	106	117	110	108	89	106	107	114
Cropland used for crops	101	88	99	98	94	88	97	90	90	—
Crop production per acre	116	100	112	120	116	123	106	119	127	—
Farm input 5/	98	96	95	91	89	89	87	87	88	—
Farm real estate	102	101	98	97	96	95	94	93	93	—
Mechanical power & machinery	89	86	85	80	77	74	74	73	71	—
Agricultural chemicals	118	102	120	115	109	111	112	119	122	—
Feed, seed, & livestock purchases	107	103	103	102	109	116	111	113	113	—
Farm output per unit of input	119	100	118	129	124	124	119	130	135	—
Output per hour of labor										
Farm 6/	125	99	121	139	139	142	135	147	142	—
Nonfarm 7/	99	102	105	106	108	109	111	112	111	—

1/ For historical data & indexes, see *Economic Indicators of the Farm Sector: Production & Efficiency Statistics, 1986*, ECIFS 5-6. 2/ Preliminary indexes for 1991 based on Crop Production: 1991 Summary, released in January 1992, & unpublished data from the Agricultural Statistics Board, NASS. 3/ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. 4/ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output. 5/ Includes other items not included in the separate groups shown. 6/ Economic Research Service. 7/ Bureau of Labor Statistics. — = not available.

Information contact: Eldon Ball (202) 219-0432.

## Food Supply &amp; Use

Table 38.—Per Capita Consumption of Major Food Commodities <sup>1/</sup>

Commodity	1984	1985	1986	1987	1988	1989	1990	1991 2/
Pounds								
Red meats 3/4/5/	123.7	124.9	122.2	117.4	119.5	115.9	112.4	112.4
Beef	73.8	74.6	74.4	69.5	68.6	65.4	63.9	63.5
Veal	1.5	1.5	1.6	1.3	1.1	1.0	0.9	0.8
Lamb & mutton	1.1	1.1	1.0	1.0	1.0	1.1	1.1	1.1
Pork	47.2	47.7	45.2	45.6	48.8	48.4	46.4	47.0
Poultry 3/4/5/	43.7	45.2	47.1	50.7	51.7	53.6	55.4	56.8
Chicken	35.0	36.1	37.0	39.1	39.3	40.5	41.5	42.6
Turkey	8.7	9.1	10.2	11.6	12.4	13.1	13.8	14.2
Fish & shellfish 4/	14.1	15.0	15.4	16.1	15.1	15.6	15.0	14.8
Eggs 5/	33.0	32.4	32.2	32.2	31.2	29.9	29.6	29.3
Dairy products								
Cheese (excluding cottage) 3/6/	21.5	22.5	23.1	24.1	23.7	23.8	24.7	25.2
American	11.9	12.2	12.1	12.4	11.5	11.0	11.2	11.2
Italian	5.8	6.5	7.0	7.6	8.1	8.5	9.1	9.5
Other cheese 7/	3.9	3.9	4.0	4.1	4.1	4.3	4.4	4.5
Cottage cheese	4.1	4.1	4.1	3.9	3.9	3.8	3.3	3.2
Beverage milks 3/	227.2	229.7	228.6	226.5	222.3	224.3	221.6	218.7
Fluid whole milk 8/	126.8	123.3	116.5	111.9	105.7	97.6	90.3	—
Fluid lowfat milk 9/	88.8	93.7	98.6	100.6	100.5	106.5	108.3	—
Fluid skim milk	11.6	12.6	13.5	14.0	16.1	20.2	22.9	—
Fluid cream products 10/	6.2	6.7	7.0	7.1	7.1	7.3	7.1	—
Yogurt (excluding frozen)	3.7	4.1	4.4	4.4	4.7	4.3	4.1	—
Ice cream	18.2	18.1	18.4	18.3	17.3	16.1	15.8	16.4
Ice milk	7.0	6.9	7.2	7.4	8.0	8.4	7.7	7.3
Frozen yogurt	—	—	—	—	—	2.0	2.8	3.5
All dairy products, milk equivalent, milkfat basis 11/	581.9	593.7	591.5	601.3	583.2	565.3	570.8	564.5
Fats & oils — Total fat content	58.8	64.3	64.3	62.9	63.0	61.1	62.7	63.6
Butter & margarine (product weight)	15.3	15.7	16.0	15.2	14.8	14.6	15.3	14.8
Shortening	21.3	22.9	22.1	21.4	21.5	21.5	22.2	22.1
Lard & edible tallow (direct use)	3.8	3.7	3.5	2.7	2.6	2.7	3.0	3.1
Salad & cooking oils	19.9	23.5	24.2	25.4	25.8	24.0	24.2	25.2
Fresh fruits & melons 12/	110.0	108.0	114.9	119.6	117.1	119.4	111.9	—
Canned fruit 13/	12.3	12.7	12.9	13.6	13.3	13.4	13.4	—
Dried fruit	2.5	2.8	2.7	2.6	2.9	3.2	3.2	—
Frozen fruit	3.0	3.3	3.6	3.9	3.8	4.6	4.3	—
Frozen citrus juices 14/	35.7	40.5	43.2	40.2	40.1	34.3	27.2	—
Vegetables 12/								
Fresh	100.6	100.7	99.3	105.7	109.7	112.9	110.9	106.0
Canning	90.9	87.8	87.9	87.6	83.5	90.7	96.4	94.3
Freezing	17.5	17.1	15.8	16.8	18.3	17.8	18.3	19.3
Potatoes, all 12/	121.9	122.4	125.7	125.7	122.2	126.7	127.2	—
Sweetpotatoes 12/	4.9	5.4	4.4	4.4	4.1	4.1	4.7	—
Peanuts (shelled)	6.0	6.3	6.4	6.4	6.9	7.0	6.0	6.4
Tree nuts (shelled)	2.3	2.3	2.3	2.2	2.3	2.3	2.5	2.5
Flour & cereal products 15/	150.4	157.5	163.7	172.5	174.3	174.9	183.0	184.3
Wheat flour	119.2	124.7	125.7	129.9	130.0	129.2	135.7	135.9
Rice (milled basis)	8.5	9.0	11.6	14.0	14.3	15.2	16.2	17.0
Caloric sweeteners 16/	127.0	131.3	129.6	133.7	135.1	136.4	139.1	140.2
Coffee (green bean equiv.)	10.2	10.5	10.5	10.2	9.8	10.3	10.2	—
Cocoa (chocolate liquor equiv.)	3.4	3.7	3.8	3.9	3.8	3.9	4.2	—

1/ In pounds, retail weight unless otherwise stated. Consumption normally represents total supply minus exports, nonfood use, & ending stocks. Calendar-year data except fresh citrus fruits, peanuts, tree nuts, & rice, which are on crop-year basis. 2/ Preliminary.

3/ Total may not add due to rounding. 4/ Boneless, trimmed weight. Chicken series revised to exclude amount of ready-to-cook chicken going to pet food as well as some water leakage that occurs when chicken is cut up before packaging. 5/ Excludes shipments to the U.S. territories. 6/ Natural equivalent of cheese & cheese & other dairy products. Includes miscellaneous cheese not shown separately. 7/ Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. 8/ Plain & flavored. 9/ Plain & flavored & buttermilk. 10/ Heavy cream, light cream, half & half, & sour cream & dip. 11/ Includes condensed & evaporated milk & dry milk products. 12/ Farm weight. 13/ Excludes pineapple & berries. 14/ Single strength equivalent. 15/ Includes rye, corn, oat, & barley products. Excludes quantities used in alcoholic beverages, corn sweeteners, & fuel. 16/ Dry weight equivalent. — Not available.

Information contact: Judy Jones Putnam (202) 219-0870.

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